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FIRST REPORT

COMMITTEE ON EMPOWERMENT OF WOMEN
(2004-2005)

(FOURTEENTH LOK SABHA)

FUNCTIONING OF SELF HELP GROUPS FOR ECONOMIC EMPOWERMENT OF WOMEN

MINISTRY OF FINANCE
(DEPARTMENT OF ECONOMIC AFFAIRS – BANKING DIVISION)

MINISTRY OF RURAL DEVELOPMENT
(DEPARTMENT OF RURAL DEVELOPMENT)

MINISTRY OF HUMAN RESOURCE DEVELOPMENT
(DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT)

[Action Taken on Eighteenth Report of Committee on Empowerment of Women (Thirteenth Lok Sabha)]

FIRST REPORT

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LOK SABHA SECRETARIAT
NEW DELHI

December, 2004/Agrahayana/Pausa, 1926 (Saka)

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PART II

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COMPOSITION OF THE COMMITTEE ON
EMPOWERMENT OF WOMEN (2004-2005)

CHAIRPERSON **Smt. Krishna Tirath**

MEMBERS

LOK SABHA

2. Shri Joachim Baxla
3. Smt. M.S.K. Bhavani Rajenthiran
4. Shri C.K. Chandrappan
5. Smt. Sushila Kerketta
6. Smt. Manorama Madhawraj
7. Smt. Kiran Maheshwari
8. Shri Rajesh Kumar Manjhi
9. Smt. P. Jaya Prada Nahata
10. Smt. Kalpana Ramesh Narhire
11. Dr. P.P. Koya
12. Smt. Preneet Kaur
13. Smt. K. Rani
14. Smt. Minati Sen
15. Smt. Sangeeta Singh Deo
16. Smt. Karuna Shukla
17. Smt. C.S. Sujatha
18. Mohd. Tahir
19. Smt. Tejashwini See Ramesh
20. Smt. Jayaben Thakkar

RAJYA SABHA

21. Smt. Jaya Bachchan
22. Smt. Prema Cariappa
23. Kumari Nirmala Deshpande
24. Smt. N.P. Durga
25. Smt. Hema Malini
26. Smt. S.G. Indira
27. Smt. Chandra Kala Pandey
28. Smt. Kum Kum Rai
29. Smt. Maya Singh
30. Smt. Syeda Anwara Taimur

SECRETARIAT

1.	Shri P.D.T. Achary	-	Additional Secretary
2.	Shri M. Rajagopalan Nair	-	Joint Secretary
3.	Shri R.S. Mishra	-	Deputy Secretary
4.	Smt. Veena Sharma	-	Under Secretary
5.	Shri V.P. Goel	-	Assistant Director

INTRODUCTION

I, the Chairperson of Committee on Empowerment of Women, having been authorised by the Committee to present the Report on their behalf, present the First Report (Fourteenth Lok Sabha) on the Action Taken by the Government on the recommendations contained in the Eighteenth Report of the Committee on Empowerment of Women (Thirteenth Lok Sabha) on 'Functioning of Self Help Groups for Economic Empowerment of Women' relating to the Ministry of Finance (Department of Economic Affairs – Banking Division), Ministry of Rural Development (Department of Rural Development) and Ministry of Human Resource Development (Department of Women and Child Development).

2. The Eighteenth Report (Thirteenth Lok Sabha) of the Committee on Empowerment of Women was presented to Lok Sabha and laid in Rajya Sabha on 5th February, 2004. Replies of the Government to all the Observations/Recommendations contained in the Report have been received.

3. The Draft Report was considered and adopted by the Committee on Empowerment of Women (2004-2005) at their sitting held on 7th October, 2004. The Minutes of the sitting form Part II of the Report.

4. For facility of reference and convenience, the Observations/Recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix – I of the Report.

5. An Analysis of the Action Taken by the Government on the recommendations contained in the Eighteenth Report (Thirteenth Lok Sabha) of the Committee is given at Appendix II.

NEW DELHI; **KRISHNA TIRATH**

December, 2004 **CHAIRPERSON,**
Agrahayana/Pausa, 1926 (Saka) **COMMITTEE ON EMPOWERMENT OF WOMEN.**

CHAPTER – I

REPORT

1.1 This Report of the Committee deals with the Action Taken by the Government on the recommendations contained in Eighteenth Report (Thirteenth Lok Sabha) of the Committee on Empowerment of Women relating to the Ministry of Finance (Department of Economic Affairs -Banking Division), Ministry of Rural Development (Department of Rural Development), and Ministry of Human Resource Development (Department of Women and Child Development).

1.2 The Eighteenth Report was presented to Lok Sabha on 5th February, 2004. Replies of Government in respect of all recommendations have been received and are categorised as under:-

(i) Observations/Recommendations which have been accepted by the Government:
Para Nos. 1.69, 1.70, 1.71,1.72, 1.73, 1.75, 1.77, 1.78, 1.79, 1.82, 1.84 (a) & (b), 1.84 (d) to (g), 1.84 (i) to (k), 1.85, 1.86, 1.87, 1.88,

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:
Para Nos. 1.84 (h), 1.90,

(iii) Observations/Recommendations, replies to which have not been accepted by the Committee and which require reiteration:

Para Nos. 1.74, 1.76, 1.80, 1.81, 1.83, 1.84 (c), 1.89

(iv) Observations/Recommendations in respect of which final replies have not been received.

Nil

1.3 The Committee desire that the replies in respect of recommendations contained in Chapter I should be furnished to the Committee expeditiously.

1.4 The Committee will now deal with those Action Taken replies of the Government, which need reiteration or merit comments.

Multiple Agencies involved in Self Help Groups movement

Recommendation (Para No. 1.72)

1.5 The Committee had expressed the view that as multiple agencies such as Public Sector Banks, National Bank for Agriculture and Rural Development, Non-Governmental Organisations, State Government Agencies and concerned Central Government Departments were involved in the promotion and credit delivery to Self Help Groups, suitable mechanism should be evolved so as to avoid duplication of the effort in formation and promotion of the Groups and lending to them. The Committee emphasised that effective steps were needed to ensure that there was convergence of the efforts made or measures undertaken by these various agencies. The Committee desired that efforts should be made to provide and adopt a single window system to take care of their credit and promotional needs, especially in the rural areas for undertaking individual or group activity, so that they were able to avail easy credit from a single agency. Further, at the District level also there should be coordination amongst various agencies such as anganwadi workers, District Rural Development agencies, Zila Parishads etc which were disbursing subsidies, imparting training, helping in selecting key activities and marketing of their products.

1.6 In their Action taken reply, the Ministry of Rural Development (Department of Rural Development) have stated that their guidelines for the programme have a provision for assisting groups formed under Development of Women and Children in Rural Areas, National Bank for Agriculture and Rural Development assisted Self Help Groups, Self Help Groups formed under Rastriya Mahila Kosh,Swa Shakti and Swyam Siddha programme of the Women and Child Deptt. Efforts are being made for convergence of Swarnajayanti Gram Swarozgar Yojana (SGSY) with various programmes like Dairy Development, Sheep Breeding, Poultry Development of Ministry of Agriculture, Handloom & Handicraft related programmes of Ministry of Textile , Literacy Programme of Department of Education, programmes related to eradication of major diseases of Department of Health and Reproductive and Child Health of Family Welfare etc.

1.7 The Ministry of Human Resource Development (Department of Women and Child Development) have stated in reply that to avoid the duplication of efforts in formation and promotion of Self Help Groups and lending to them a mechanism should be evolved. Some nodal agency must be identified at Central Level who should ensure that not more than one Scheme (either of Central or State Government) for their formation is implemented in the same area so that the same member is not part of 2 or more groups or same group does not take benefits from more than one Scheme of Group Formation.'

1.8 The Committee note from the reply furnished by the Ministry of Rural Development (Department of Rural Development) that the Ministry's guidelines for the Swarnajayanti Gram Swarozgar Yojana (SGSY) programme have a provision for assisting groups formed under various programmes of the Government. It has also been stated that efforts are being made for convergence of Swarnajayanti Gram Swarozgar Yojana with various programmes. However, what has caused concern to the Committee is the failure to translate all these endeavours to putting in place a suitable mechanism to avoid duplication of efforts in formation and promotion of Self Help Groups. The Committee are of the view that mere issuance or existence of guidelines in this regard would not serve the purpose. What is needed is to ensure that guidelines are strictly followed. The Ministry of Human Resource Development(Department of Women and Child Development) have also

conceded that a mechanism should be evolved so as to avoid the duplication of efforts, but have not spelt out the steps taken by them in this regard. The Committee feel that failure to evolve a mechanism itself does not speak favourably about the Government's efforts. They are of the firm view that to avoid duplication the Government should make all out efforts to provide and adopt a single window system to take care of the credit and promotional needs of Groups especially in the rural areas. Coordination should also be maintained amongst various agencies at the District level. For this, proper coordination, monitoring, evaluation and inspection at appropriate levels by Central teams in the fields is essential and needs to be maintained.

Popularisation of Selp Help Group concept

Recommendation (Para No. 1.74)

1.9 The Committee had noted that while the percentage of growth in the SHG-Bank-Linkage Programme had been commendable in some States like Assam (239.55%), Bihar (106.24%), Orissa (105.67%), Madhya Pradesh (91.34%), the progress in some other States such as in Gujarat (46.11%), Maharashtra (43.05%), Uttar Pradesh (62.15%), Himachal Pradesh (75.08%) had not been encouraging. The Committee, therefore, desired that in order to popularise the concept of Self Help Groups in the States which are lagging behind in the Self Help Groups movement, effective steps need to be taken by the Reserve Bank of India, National Bank for Agriculture and Rural Development, Public Sector Banks in consultation and coordination with concerned State Governments, Local Bodies and Non-Governmental Organisations. The Committee desired that in this regard, some of the State agencies such as Women Development Corporations, literacy missions, Land Development Corporations, etc should also be involved in a bigger way in organising women into Self Help Groups.

1.10 The Ministry of Rural Development (Department of Rural Development) have stated that they agree with the view of the Committee that in order to popularise the concept of Self Help Groups in the States which are lagging behind in the Self Help Groups movement, effective steps need to be taken by Reserve Bank of India, National Bank for Agriculture and Rural Development Public sector banks in consultation and coordination with concerned State Govts., . local bodies and Non-Governmental Organisations. They have stated that Swarnajayanti Gram Swarozgar Yojana guidelines clearly recognise the role of facilitators in mobilizing the Rural Poor for organising them into Self Help Groups and therefore Swarnajayanti Gram Swarozgar Yojana guidelines provide that the District Rural Development Agencies (DRDAs) may engage any person/ organisation either official or non official as facilitators. Further guidelines also stress upon the Agencies to put in concerted efforts to strengthen and consolidate the groups assisted by National Bank for Agriculture and Rural Development and the groups formed by Rastriya Mahila Kosh and under Swa-Shakti and Swayam Siddha Programmes of Women and Child Welfare Department.

1.11 The Ministry of Finance (Department of Economic Affairs-Banking Division) have stated in reply that as part of Reserve Bank of India's continuing initiatives in the microfinance sector, a high level meeting on micro finance was convened under the Chairmanship of Deputy Governor in October 2002. Pursuant to this, four Groups were set up and their recommendations were discussed at length in the second high-level

meeting held on August 6, 2003 under the Chairmanship of Deputy Governor. The reports of the groups were circulated among all the banks to elicit their responses. On the basis of the feed back received and based on the Governor's announcement in the credit policy for 2003-04, Reserve Bank of India has advised banks accordingly.

1.12 The Committee were concerned to note in the Original Report that while the percentage of growth in the Self Help Groups Bank Linkage Programme in some States had been commendable, progress in some had not been encouraging. They had expected that the Government on being pointed out about this discrepancy, would have taken concrete steps in States where the progress in the Linkage Programme had not been satisfactory. The Committee are therefore not satisfied with the evasive reply of the Ministry of Rural Development (Department of Rural Development) that the Swarnajayanti Gram Swarozgar Yojana guidelines recognise the role of facilitators in mobilizing the Rural Poor for organising them into Self Help Groups. They also find the reply of the Ministry of Finance unsatisfactory. While they have stated that Reserve Bank of India has advised banks, they have not felt it necessary to enumerate the details of the advice given by Reserve Bank of India to the banks in this regard. The Committee are constrained to point out that though initiatives have been taken in the field of micro-finance sector, in general, due attention has not been given to steps for encouraging the Linkage programme specially in the areas where progress has not been satisfactory. The Committee feel that mere issue of guidelines and direction does not seem to suffice. They desire that the Government should take up this matter with the concerned States at an appropriate level and inform the Committee, about the specific steps taken to ensure that the concept is popularised in the States which are lagging behind in the Self Help Groups movement. The Committee would also like to reiterate that some of the State

agencies should also be involved in a bigger and efficacious way in organising women into Self Help Groups.

Five per cent Net Bank Credit of Banks for Women

Recommendation (Para No. 1.76)

1.13 In the aforesaid paragraph, the Committee had noted that recognising the problems being faced by women in reaching out to the formal banking system, the Reserve Bank of India had issued instructions on July, 26, 2001 to all banks to earmark 5% of their Net Bank Credit (NBC) for lending to women within 3 years, viz. by March, 2004. The Committee found that the percentage of Net Bank Credit for lending to women by some Banks as on March, 2003 was far below the average figure of 3.90% of Net Bank Credit and they might not achieve the modest target of 5% by March, 2004. The Committee felt that not only the target of 5% should be achieved by all the banks by the stipulated date, but it should also be increased beyond that as had been done by some banks. The Committee, therefore, recommended that the Department of Economic Affairs (Banking Division)/Reserve Bank of India should impress upon the Banks which are lagging behind to take suitable remedial steps to enhance Net Bank Credit for lending to women.

1.14 In reply to the above recommendation, the Ministry of Finance(Department of Economic Affairs - Banking Division) have stated that Reserve Bank of India (RBI) has reported that as on 31.3.2004, 19 of the 27 public sector banks have achieved the lending target of 5% of Net Bank Credit to women. The following banks could not reach the target:

1.	State Bank of India	3.19%
2.	SB Saurashtra	1.32%
3.	Uco Bank	3.40%
4.	Oriental Bank of Commerce	3.58%
5.	Dena Bank	3.38%
6.	Corporation Bank	3.64%
7.	Central Bank of India	4.63%
8.	Bank of India	4.31%

The Chief Executives of these banks have since been advised to take steps to achieve the target latest by 31.12.2004.

1.15 The Committee have taken serious note of the fact that even after a lapse of more than three years since the RBI issued instructions to earmark 5% of their Net Bank Credit (NBC) for lending to women, eight banks are still to reach this target. The Committee are dismayed at the reply of the Department since they had desired that not only the modest target of 5% should be achieved by all the banks by the stipulated date but that it should also be increased beyond that as has been done by some banks. They feel that this only exhibits the utter lack of seriousness to implement the recommendation of the Committee made on recognising the problems being faced by women. The Committee strongly urge the Department of Economic Affairs –Banking Division to take more effective steps to pursue those Public Sector banks which could not reach the target of 5% of their NBC for lending to women to achieve the said target along with the reasons therefor. Guidelines issued to them and action taken by the banks may be communicated to the Committee.

Marketing Support to SHGs

Recommendation (Para No. 1.80)

1.16 The Committee had observed that while it was easy for Self Help Groups to produce various items, it was difficult to market their products due to lack of adequate marketing facilities. The Committee were informed that under the MAHIMA Scheme for marketing being implemented by National Bank for Agriculture and Rural Development, various initiatives were being taken for promotion of marketing of products produced by women Self Help Groups. The Committee had pointed out that although those schemes had been evolved, the coverage and facilities under them were not adequate. The Committee recommended that the Department of Economic Affairs (Banking Division), Department of Rural Development and the Department of Women and Child Development should impress upon the concerned State Governments to take suitable steps for extending marketing support to the Groups including marketing outlets, design support, and support and assistance in maintaining quality control of the products. For this, there should be a nodal agency having the expertise to identify and develop viable projects at the local level which would provide economic support to them.

1.17 The Ministry of Rural Development (Department of Rural Development) in their action taken note have replied that the Swarnajayanti Gram Swarozgar Yojana guidelines provide that the line Departments of the State Governments are responsible for planning and creation of the infrastructure required for making the key activities successful. The Swarnajayanti Gram Swarozgar Yojana guidelines also provides for utilizing the services of professionals/experts in the field of marketing for selection of activity through market survey and research, preparation of viable projects, design, value addition, packaging, production quality monitoring etc.

1.18 In reply the Ministry of Finance (Department of Economic Affairs - Banking Division) have stated that many State Governments are themselves making arrangements for marketing of products of Self Help Groups. However, National Bank for Agriculture and Rural Development has since advised the State Governments to provide marketing assistance for Self Help Groups products by involving the concerned local agencies.

1.19 The Committee are not satisfied with the reply of the Ministry of Rural Development (Department of Rural Development). They regret to note that the Department rather than taking action in the matter in pursuance of the recommendation of the Committee have merely reiterated the guidelines of the Swarnajayanti Gram Swarozgar Yojana. The Department have not furnished the details of funds utilised state-wise vis-à-vis the marketing outlets opened in those States. The Department have also failed to furnish any information about *haats* constructed or being constructed under the Swarnajayanti Gram Swarozgar Yojana and the number of women helped under the scheme so far. The Committee, therefore, would like to be apprised about the future plans of the Government in the coming year. The Committee are also of the view that some stalls in these *haats* should be reserved for women and particularly those belonging to weaker sections of society totally free from any charge. Further, the Committee would also like the Ministry to take up the issue with various Corporations of States as well as Ministries of Urban Development, Railways and Transport for allotting stalls and Kiosks/ tharas etc. to the women belonging to weaker sections of the society particularly to Scheduled Castes/Scheduled Tribes.

1.19A The Committee are also not convinced with the reply of the Ministry of Finance (Department of Economic Affairs - Banking Division) stating that many State Governments are themselves making arrangements for marketing of products of Self Help Groups. The Committee feel that the Ministries have tried to be evasive which is indicative of their poor monitoring. Since lack of adequate marketing facilities has proved to be an impediment in the viability of Self Help Groups, adequate steps ought to have been taken to strengthen marketing

infrastructure and related activities. While reiterating their earlier recommendation, the Committee are of the firm opinion that the State Governments should be impressed upon to take suitable steps for extending marketing support to the Groups. The Committee further desire that a nodal agency to identify and develop viable projects at the local level should be set up. Steps taken and progress achieved in this regard should be communicated to the Committee at the earliest.

Large gap between Interest given on Deposits and charged on Loans

Recommendation (Para No. 1.81)

1.20 In the aforesaid paragraph of their Original Report, the Committee had observed that the Banks were giving only 3.5% interest to the Self Help Groups on the money deposited by them but were charging upto 12% interest on loans to them. The Committee had pointed out that the rate of interest on loans to Self Help Groups was high despite easy and almost full recovery of their loans. Further, existence of low-interest rate regime strengthened the case for reducing the rate of interest on loans to Self Help Groups. The Committee had, therefore, recommended that the interest rate on loans extended to Self Help Groups should be reduced substantially in order to bridge the gap between the low rate of interest given by banks on deposits of the Self Help Groups and the higher rate of interest charged on the loans extended to them.

1.21 In their reply, the Ministry of Finance (Department of Economic Affairs - Banking Division) have stated that interest rates applicable to loans given by banks to micro credit organizations or by the micro credit organizations to Self Help Groups/member beneficiaries has been left to the discretion of the banks. The interest rate ceiling applicable to direct small loans given by banks to individual borrowers, however, continues to remain in force.

1.22 The Committee are concerned to note that there is still a large gap between the rate of interest given by banks on deposits of Self Help Groups and that charged on loans extended to them. The Committee feel that unless the credit needs of women are adequately met on easy terms, the Self Help Groups would not develop sufficiently. Banks need to play a pro-active role in facilitating women to fulfill their credit requirements. The Committee, therefore, deprecate the attitude of the Department taking shelter under the statement that the interest rates applicable to loans given by banks to micro credit organisations or by the micro credit organisations to Self Help Groups /member beneficiaries has been left to the discretion of the banks. As a nodal Department, they are expected to have taken more concrete steps so that interest rate extended to Self Help Groups are reduced substantially in order to bridge the gap

between low rate of interest given by banks on deposits of the Self Help Groups and the higher rate of interest charged on the loans extended to them. The Committee desire that suitable steps in this direction may be taken by the Ministry and they be apprised accordingly.

Auditing of Accounts of NGOs

Recommendation (Para No. 1.83)

1.23 The Committee had expressed the feeling that keeping in view the important role played by NGOs in the Self Help Groups' movement they should be carefully selected for delivery and implementation of the programmes for Self Help Groups. The Committee felt that the financial management and governance capacity of the NGO should be studied carefully by the bankers before extending loans through the NGOs. Also, certain basic criteria given by National Bank for Agriculture and Rural Development to the banks for identifying good NGOs should be compulsorily applied by all the Public Sector Banks while selecting NGOs under the Self Help Groups Programme. Further, the Committee desired that accounts of NGOs involved in Self Help Groups activities should be got audited every six months by reputed/recognised Auditors who may send the reports to the Government in order to closely monitor the quality and quantity of the work done by NGOs.

1.24 In reply to the recommendation, the Ministry of Rural Development (Department of Rural Development) have stated that the Guidelines of Swarnajayanti Gram Swarozgar Yojana (para 3.8), impress upon District level Swarnajayanti Gram Swarozgar Yojana committee, a body responsible for implementation of the scheme in district, to select NGOs and other facilitator who have the past experience in Self Help Groups formation, community organization or any other similar work involving participatory approach, communication skills, ability to stay with people in rural areas.

Council for advancement of Peoples Action and Rural Technology (CAPART) an autonomous body under Ministry of Rural Development, and an organisation who is dealing with voluntary organization has set up criteria for identification and selection of suitable NGOs for taking up various programmes in the field of rural development. Guidelines of the Council for advancement of Peoples Action and Rural Technology even provide for ensuring proper financial management and governance by way of setting of procedure for proper maintenance of accounts and audit as well as punitive actions such as blacklisting and stopping of assistance, to be taken against the defaulting NGOs.

1.25 The Ministry of Finance (Department of Economic Affairs - Banking Division) have stated in reply that Reserve Bank of India (RBI) has agreed with the observations of the Committee and will consider issuing necessary guidelines in this regard to all public sector banks.

1.26 The Committee regret to point out the evasive replies given by the Ministry of Rural Development (Department of Rural Development) and Ministry of Finance (Department of Economic Affairs - Banking Division). In their Original Report, the Committee had noted that the National Bank for Agriculture and Rural Development themselves had conceded that some of the NGOs had been found to be poor financial managers themselves, unable to manage their finances properly. Keeping in view the lack or poor financial management of NGOs, the Committee had desired that their financial management and governance be taken care of. While both the Ministries have chosen to remain silent on this very important aspect and absolved themselves of their responsibility, the Ministry of Rural Development have merely stipulated the guidelines of Swarnajayanti Gram Swarozgar Yojana in this regard. The Committee expect the Government to be precise and non-evasive while furnishing action taken notes to their pointed recommendations. While reiterating their recommendation that accounts of NGOs should be got audited every six months by reputed/recognised Auditors, the Committee desire that the requisite information should be furnished to them without further delay.

Awareness generation about credit facilities

Recommendation [Para No. 1.84(c)]

1.27 The Committee had suggested in the aforesaid paragraph that distribution of Pamphlets/posters on various credit facilities of the Banks among the self help groups to create awareness about credit facilities of the Bank would go a long way in strengthening the Self Help Groups enabling them to achieve the avowed objective of making women, especially from rural areas, economically independent.

1.28 The Ministry of Finance (Department of Economic Affairs - Banking Division) in reply have stated that National Bank for Agriculture and Rural Development has prepared useful resource material viz. "A Handbook on Forming Self Help Groups" for Self Help Promoting Institutions and "A Handbook on banking with Self Help Groups. How & Why?" for bank Branch Managers. These hand books contain information on 'must knows" of Self Help Groups formation and financing for use by bankers and other enthusiasts. The same has been shared with all bankers and partner institutions.

1.29 Keeping in view the importance of creating awareness about credit facilities of the banks among women, especially from rural areas, the Committee had suggested that pamphlets/posters on such facilities should be distributed among Self Help Groups. The Ministry of Finance (Department of Economic Affairs - Banking Division) have not indicated the steps taken in this regard for creating awareness about credit facilities to rural women. The Committee feel that this is very important as awareness generation among rural women is a manifestation of how such important aspects are being looked after and monitored. This is essential so that they become aware and approach the right persons for their credit needs. The Committee would therefore, like to reiterate that pamphlet/posters on various credit facilities of the Banks should be distributed among the Self Help Groups to create awareness about credit facilities of the Bank. They should be in simple, brief and understandable words in English, Hindi, and all regional languages and be circulated to all District Rural Development Agencies and village panchayats for the benefit of the rural women.

***Swayamsidha* Project**

Recommendation (Para No. 1.89)

1.30 The Committee had noted that based on the success of the *Swa-shakti* Project, a pilot project of the Department of Women and Child Development under which 17647 SHGs were stated to be formed and nurtured, the Department had launched another project *viz. Swayam Siddha* in 650 blocks of the States and Union Territories in March, 2001. However, the Committee had observed that there was little or no awareness about the '*Swayam Siddha'* scheme not only among the general public at the grassroot level but also among the area/local representatives. They, therefore, had desired that wide coverage should be given to this scheme to ensure that the targeted beneficiaries were able to take advantage thereof.

1.31 In reply, the Ministry of Human Resource Development (Department of Women and Child Development) have stated that the main reason for inadequate publicity of Swayamsidha is the low budget provision. The budget for Swayamsidha is Rs.116.30 crores for formation and nurturing of SHGs for 5 years, training programmes, registration of Societies etc. The cost per SHG works out to Rs.17,892.30. On account of the low budget outlay only 2.5% of the sanctioned project amount has been allowed for publicity, Information, Education and Communication & Management Information System. This has resulted in inadequate publicity of Swayamsidha. States have been requested to make all efforts within the available budget to popularize the scheme.

1.32 The Committee had pointed out in the Original Report about the poor level of awareness about the 'Swayamsidha Scheme' of the Department of Women and Child Development among the general public at the grassroot level and among the area/local representatives. However, the Department have chosen to take the plea of low budget provision for inadequate publicity of Swayamsidha Scheme which the Committee do not find as convincing. The Committee feel that there is lack of initiative on the part of the Department who with the help of available funds could have made the desired efforts to create awareness about the Project. The Committee are of the view that it is very

essential that wide coverage is given to the schemes launched by the Government to ensure that the targeted beneficiaries are able to take advantage thereof. The Committee, therefore, desire that urgent steps may be taken to disseminate information through cheap but effective medium and States also be given specific guidelines to popularise this scheme. The Committee may be apprised of the steps taken in this regard.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation

The empowerment of women has of late become a global issue and there is widespread unanimity, generated by the women's movement to achieve this multi-dimensional goal which would enable the women to realise their identity and potential. For empowerment of women, it is essential that they become economically independent. However, significant improvement in women's economic participation is yet to come about due to the conservative mindset and societal prejudices in the country. Consequently, gross unemployment and underemployment of women have led them to take up self employment in the unorganised sector as also through formation of Self Help Groups which have now emerged as a cost effective mechanism for providing financial services, especially to rural women.

(Para No. 1.69)

Reply of Ministry of Rural Development
(Department of Rural Development)

We agree with the observation of the Committee that for Empowerment of Women, it is essential to make them economically in dependent and Self Help Groups have emerged as a cost effective mechanism for providing financial services to the Rural Women for taking up employment ventures. Under Swarnjayanti Gram Swarozgar Yojana,. special attention is being paid to women empowerment and to providing self employment opportunities to women. The Scheme encourages group formation, training and capacity building of the groups, skill development and provides for marketing and infrastructure support. As per guidelines 50% of the Self Help Groups (SHGs) formed at block level should exclusively be of women and 40% of total swarozgaris assisted should be women.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

We fully agreed to the observation. Gross un-employment and under-employment of women have led them to take up self-employment through formation of Self-Help Groups which has now emerged as Cost effective mechanism for providing

financial services, specially to rural women. The achievements in Swa-Shakti Project clearly demonstrates that with Project intervention, a lot of capacity building of the rural women has been done which has resulted in value addition to the production already done and enhancement of wages due to extensive skill development programmes. Due to Project intervention and Bank Linkages, out of 2.43 lac women SHG members, about 1.11 lac women have already initiated various income generation activities which have raised their average income to a great extent.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

In 1992, NABARD had introduced a pilot project with banks to encourage thrift and saving among the rural poor and to supplement their credit needs with a view to revitalising the inactive persons/Groups in the villages by reorganising them as Self Help Groups. The Self Help Groups, about 90% of which are women's groups, are small economically homogenous and affinity groups of the rural poor, voluntarily coming together to save small amounts regularly, to mutually agree to contribute to a common fund, to have collective decision making, to provide collateral free loan and to work on income-generating activities. Most of the members of the Group belong to families below the poverty line (BPL). The Committee are informed that there is no difference in the conceptual background in the SHGs promoted by NGOs/Banks/Government Departments. There is major difference in motivation to form Self Help Groups from the view point of the Group members. While the motivation in the Groups formed by Department of Rural Development under SGSY are more linked to availability of subsidy, the element of subsidy is absent in case of Groups promoted under the SHG-Bank Linkage Programme.

(Para No. 1.70)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

The SHG-bank linkage programme launched by NABARD in 1992 is a cost-effective and transparent poverty alleviation strategy, by linking the poor to the formal banking system. The SHG-bank linkage programme has emerged as the dominant micro finance dispensation model in India and is being implemented by commercial banks, RRBs and co-operative banks in the country.

Under SHG-bank linkage programme, loan is made available to the good working and graded groups. Normally bank loan is extended upto four times of group savings/corpus and no subsidy is involved.

Swarnajayanthi Gramin Swarojgar Yojana (SGSY) is a centrally sponsored government programme. Good working SHGs are brought within the purview of SGSY and groups undertake economic activities with bank loan assistance. Loans are made available under SGSY either to the entire group or to the individual swarojgaris. Subsidy is extended by Rural Development Department.

As on 31.3.2004, 10.79 lakh SHG's are credit linked with banks with a cumulative loan disbursement of Rs.3904 crore. The success of the SHG-bank linkage programme demonstrates that subsidy is not a contributing factor for the success of a poverty alleviation/developmental programme.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The observation of the Committee that there is no difference in conceptual background of SHGs promoted by NGOs/Banks/Government Departments is accepted. No doubt SGSY is a credit cum subsidy scheme. But credit is the critical component and subsidy is only enabling element. In fact there is no direct subsidy to the beneficiary. The subsidy is back ended. The entire amount of the project cost is released as loan to the beneficiary and the subsidy amount is released into his loan account after the repayment starts and he is not charged any interest on the subsidy amount.

SGSY deals with BPL beneficiaries. Basically subsidy amount available with the bank is to increase the comfort level of the banker to deal with a BPL beneficiary.

Under SGSY the groups are mobilised and take up thrift and credit activity. The Self Help Groups are graded first time and if found qualitatively good provided with Revolving Fund. The grant component of Revolving Fund matches the group corpus(Minimum of Rs.5,000 and maximum of Rs.20,000) and credit can be four times of the same . The groups are given training in group processes, skill development and entrepreneurship development. Subsequently the groups are graded again (second grading) and provided assistance for taking up economic activity in the form of credit and back ended subsidy. The groups are also provided marketing and infrastructure support.

The NABARD SHG Bank linkage programme is comparable only to the first stage under SGSY(Revolving Fund Stage). The average per capita assistance under the SHG bank linkage programme is about Rs.1500/- whereas under SGSY the average per capita assistance for taking up economic activity is Rs.20000/- Moreover, SHG Bank Linkage programme of NABARD has had success only in a few states.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

In the Swa-Shakti Project it is a proven fact that if we provide extensive awareness campaigns, capacity building trainings rather than providing subsidy, the

sustainability of the SHGs is assured as with awareness, capacity building programmes, the credit absorption capacity for the productive purposes can be enhanced and loans/credits availed can be extensively used for productive purposes, which ultimately results in enhancement of production, increase in income, increase in profit thereby improvement in standard of living.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The first and foremost benefit a SHG extends to its members, is to create critical self awareness and give a feeling of self confidence, solidarity and social security which are necessary preconditions for a process leading to the comprehensive socio-economic empowerment of their members who mostly comprise women. There is a need not only to set up more and more such SHGs but also to strengthen the existing ones which would result in economic independence of poor rural women. For this, a conducive policy or strategy should be evolved to encourage the formation, growth and spread of more Self Help Groups in the country by taking into account the requirements of Self Help Groups in a focused and integrated manner.

(Para No. 1.71)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Recognizing micro finance interventions as an effective tool for poverty alleviation, RBI had issued comprehensive guidelines to banks in February 2000 for mainstreaming micro credit and enhancing the outreach of micro credit providers, Importantly, these guidelines stipulated that micro credit extended by banks to individual borrowers directly or through any intermediary would henceforth be reckoned as part of their priority sector lending.

Reserve Bank of India has been making efforts to give a fillip to the microfinance initiatives through creating an enabling environment for fostering the growth of microfinance and has advised banks as November 3, 2003 that :

i) Banks should provide adequate incentives to their branches in financing the Self Help Groups (SHGs) and establish linkages with them, making the procedures absolutely simple and easy while providing for total flexibility in such procedures to suit local conditions.

ii) The group dynamics of working of the SHGs may be left to themselves and need neither be regulated nor formal structures imposed or insisted upon.

iii) The approach to micro-financing of SHGs should be totally hassle-free and may include consumption expenditures.

The following steps have been initiated inter-alia by NABARD to encourage the formation, growth and spread of SHGs in the country.

- The SHG-Bank linkage programme is performing comparatively better in southern states. In order to give more emphasis in the other States, 13 States from Northern, North Eastern, Central, Eastern and Western Regions have been identified for giving more thrust in upscaling the programme in the coming years.

- District-wise action/strategy plan in consultation with existing stake holders aiming promotion and linkage of a minimum of 500 SHGs per district has been evolved.

- Training and exposure programs for the staff of the stakeholders viz. NGOs, banks, Farmers Clubs, government development agencies/departments, Farmers Clubs and individual volunteers with focus on (i) designing and funding suitable modules, and (ii) large coverage of the participants.

- Involvement of banks at their corporate level by organizing training programmes for the Regional/Zonal Managers of commercial banks in association with their Central Offices.

- Documenting case studies of the financing of SHGs as a business proposition for the banks.

- Associating village communities, people's institutions, rural volunteers and individuals to participate in the program as SHG promoters.

- Large scale dissemination of the concept and approach among the rural masses.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

In order to encourage the formation, growth and spread of more Self Help Groups in the country, the following action have been taken under SGSY.

i) States are being stressed upon to utilise greater amount of funds for SHGs rather than individual beneficiaries.

ii) Use of facilitators/animators/NGOs/Self Help Promoting Institutions has been allowed. The cost of inter mediation is being met from SGSY funds.

iii) Banks are also involved as facilitators/Self Help Promoting Institutions (SHPIs) for social mobilisation, formation, training and capacity building of SHGs formed under the scheme.

iv) Groups formed under other programmes have also been made eligible. However a maximum of 20% and in exceptional cases where essentially required, upto a maximum of 30% of the members in a group may also be included from the Above Poverty Line Families (APL). However, the APL members will not be eligible for the subsidy under the scheme.

v) Further Ministry of Rural Development recognises the need and requirements of SHGs as Key to success of Self Employment Scheme and, therefore, SGSY's guidelines provide for making the process of key activity selection a participatory one. Self Help Groups besides other Stake holders are actively involved in the process so that their needs, aspirations and requirements are taken into account while deciding about the key economic activities.

vi) Wide publicity is being given through various electronic and print media to promote group approach to encourage SHG formation.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

We agree with the views that there is a need not only to set-up more and more such SHGs but also to strengthen the existing ones, which would result in economic independence of poor rural women. The Swa-Shakti model has already taken this into account. Our approach is credit plus. Most of the SHG programmes in the country are encouraging savings and credits, whereas, Swa-Shakti Programme has equally emphasized the need for holistic development and empowerment of women through linking them with Banks, providing extensive trainings for income generation activities, conducting the market surveys, conducting potential members survey, helping women in finalizing business plans, helping in getting brand names, ensuring quality standards, exploring market channels, forming cluster and federation level organizations and

ultimately replacing NGOs and Project implementers with cluster and federation level organizations.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee note that a number of agencies are involved in the formation and promotion of Self Help Groups such as public sector banks, National Bank for Agriculture and Rural Development (NABARD), NGOs, Voluntary Agencies, State Government Agencies and concerned Central Government Departments like Ministry of Finance (Department of Economic Affairs – Banking Division), Ministry of Rural Development (Department of Rural Development) and Ministry of Human Resource Development (Department of Women and Child Development). The Committee are of the view that as multiple agencies are involved in the promotion and credit delivery to SHGs, suitable mechanism should be evolved so as to avoid duplication of the effort in formation and promotion of Self Help Groups and lending to them. The Committee would like to emphasise that effective steps are needed to ensure that there is convergence of the efforts made or measures undertaken by these various agencies. Efforts should be made to provide and adopt a single window system to take care of the credit and promotional needs of SHGs, especially in the rural areas for undertaking individual or group activity, so that the SHGs are able to avail easy credit from a single agency. The Committee desire that at the District level also there should be coordination amongst various agencies such as anganwadi workers, District Rural Development agencies, Zila Parishads etc which are disbursing subsidies, imparting training, helping in selecting key activities and marketing of their products.

(Para No. 1.72)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

A number of agencies are involved in promotion and nurturing of SHGs at the field level depending on local conditions. However, the SHG Bank linkage model is co-ordinated by NABARD through its Regional Offices.

SHGs, formed and assisted under different programmes and different nodal agencies are presently in operation. At the district level these agencies have structured meetings to co-ordinate their efforts and convergence of such efforts may be ensured by District Administration. Banker's forum like DCC, DLRC also provide the required platform to bring about co-ordination.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The Ministry of Rural Development's guidelines for the programme have a provision for assisting groups formed under DWCRA, NABARD assisted SHGs, SHGs formed under

Rastriya Mahila Kosh,Swa Shakti and Swyam Siddha programme of the Women and Child Deptt. Para 3.7 of guidelines stresses upon the DRDAs to put in concerted efforts to strengthen and consolidate these groups.

Efforts are being made for convergence of SGSY with various programmes like Dairy Development, Sheep Breeding, Poultry Development of Ministry of Agriculture, Handloom & Handicraft related programmes of Ministry of Textile , Literacy Programme of Department of Education, programmes related to eradication of major diseases of Department of Health and R.C.H.of Family Welfare etc.

The Ministry of Rural Development is also working with other Ministries/Departments for convergence of benefits to Swarozgaris in terms of latest developments and trends in technology for production, processing, packaging etc. The DRDAs are expected to coordinate the implementation of the programme with all other field agencies/Line Departments.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

We support that mechanism should be evolved so as to avoid the duplication of efforts in formation and promotion of SHGs and lending to them. To overcome this problem, it is suggested that some nodal agency must be identified at Central Level who should ensure that not more than one Scheme (either of Central or State Government) for formation of SHGs is implemented in the same area so that the same member is not part of 2 or more groups or same group does not take benefits from more than one Scheme of Group Formation. A nodal Officer or agency should also be identified for same area/district so that various Schemes available in the Blocks/districts are converged and SHGs are able to get benefits from all other Schemes as well.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

From the information furnished to the Committee by NABARD on the regional spread of physical and financial progress of the Self Help Groups – Bank Linkage upto 31st March, 2002, it is seen that 3,58,689 SHGs have been provided with Bank loan in the Southern region, 19,321 in Northern region, 1490 in North-Eastern region, 45,892 in the Eastern region, 48,181 in the Central region and 29,318 in the Western region. The Committee are, thus, inclined to conclude that there is a regional concentration of these groups in the Southern States in comparison to the other regions of the country. The regional imbalance in formation and promotion of Self Help Groups also resulted in substantial disbursement of bank loans in the Southern region. This is evident from the figures for the cumulative bank loan disbursed to the States/UTs upto 31st March 2002 which indicate that out of total bank loans amounting to Rs. 1026.3 crores, the cumulative bank loans to Self Help Groups is Rs. 831.31 crores in the Southern region, Rs. 37.31 crores in the Northern region, Rs. 2.54 crores in the North-Eastern region, Rs. 46.75 crores in the Eastern region, Rs. 56.91 crores in the Central region and Rs. 51.51 crores in the Western region.

(Para No. 1.73)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

The number of SHGs linked to banks aggregated 1,079,091 as on March 31, 2004. Around 90 per cent of the groups linked with banks are exclusive women groups. As on 31st March 2004, the SGH Bank Linkage Programme enabled an estimated over 150 lakh poor women in the country to negotiate access to savings and credit Services at commercial terms. Cumulative disbursement of bank loans to these SHGs stood at Rs.3904.21 crores as on March 31,2004.

Though SHG Bank Linkage Programme had made a head start in southern states comparatively, significant progress had been made in the other regions of the country on account of the concerted efforts by NABARD and other agencies involved. Though no specific studies have been conducted to assess the reasons for the faster growth of the programme in southern states, it is evident that with higher level of literacy and better awareness among the rural communities, larger participation by partner agencies including State Government, and greater efforts at training and capacity building have all contributed for the better progress of the programme in the southern states. NABARD has placed intensive focus in the last three years, on scaling up the programme in 13 states other than southern states, viz. Rajasthan, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, West Bengal Assam, Orissa, Gujarat and Maharashtra, which account for nearly 70% of the rural poor.

As a follow up of the budget announcement an action plan has been evolved for promotion and bank linkage of 5.85 lakh Self Help Groups (SGH's) during the period 1st April 2004 to 31st March 2007.

It has been decided to have a region-wise distribution of SHG's for equitable growth of SHGs's in under developed states as give below :

Region	Share	SHGs to be credit linked during 2004-07
Southern	40%	2,34,000
Western	15%	88,000
Northern	10%	58,000
Central	15%	88,000
Eastern/North Eastern	20%	1,17,000
TOTAL	100%	5,85,000

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

We agree that there is substantial disbursement of Bank loans and group related benefits in the Southern States. While formulating the Swa-Shakti Project this point was kept in view and accordingly more states from other regions were included in this pilot Scheme. At present, the Swa-Shakti Project is implemented in nine States viz. Bihar, Chattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Uttar Pradesh & Uttaranchal. Out of these nine States only one State that is Karnataka was included in the Swa-Shakti Project that too to act as a model State for other new States.

In view of satisfactory implementation of Swa-Shakti Project, the World Bank has offered Phase-II of the Project. Committee's suggestions for including the non-southern States is well taken and it will be ensured that the SHGs movement is extended to the non-covered areas also so that benefits of this successful module reaches nation wide.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

Banks play a vital role in credit delivery to the Self Help Groups. For this, they either avail appropriate assistance or facilitation from NGOs or/and enter into strategic alliance with such institutions for channelising their loan funds in bulk for lending to the Self Help Groups promoted by them. A few banks themselves promote SHGs without any assistance from the NGOs and also provide loan to the SHGs in proportion to the savings of the groups and play the dual role of Credit Suppliers as also NGOs. The Committee have been informed by the NABARD that as per the cumulative figures as on March 2003, while 20% SHGs are formed and financed by banks, 72% SHGs are formed by NGOs and formal agencies and directly financed by banks and 8% SHGs are financed by banks using NGOs as financial intermediaries. The Committee would, however, like to point out that despite the steps taken by the banking sector, the

average amount of loan to members of Self Help Groups is still very low. The Department of Economic Affairs (Banking Division) in a note, have admitted that several cross country reports have highlighted the fact that bank loans for women's micro enterprises have been to the extent of less than 15%. The representative of the Reserve Bank of India also conceded during evidence that "Yes, I entirely agree that the size of the loan, on an average, comes to Rs. 1,200 per member of the Self-Help Groups. There is a need for increasing the size of the loan."

(Para No. 1.75)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Under the SHG-bank linkage programme, the average loan size per SHG as on March 2003 was Rs.28,559 and the average loan size per family was Rs.1,766. It is expected that the average loan size would further improve with increase in successive rounds of finance to SHGs.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

In Swa Shakti Project efforts are on to enhance the size of inter loaning as well as Bank loans, as a result average Bank loan size worksout to Rs. 22,410/- and interloan Rs. 29,020/- It is suggested that we should persuade the Banks for bigger size loans, provided we are able to enhance the credit absorption capacity of the groups by providing necessary inputs/capacity building programmes in the form of micro enterprise development and specific skill training in the income generation activities. The disbursement of bigger size loans should be avoided in those cases where the credit absorption capacity of the groups is not enhanced and higher disbursement may lead to own consumption rather than productive and thereby may lead to default in repayments.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

Needless to say that as Net Bank Credit of some Banks for lending to women is far behind the average figure, the quantum of financial assistance to Self Help Groups which comprise mainly women is also very low. The Committee are of the view that if the requisite credit needs of Self Help Groups are not adequately met, it will hamper their smooth functioning and they may not achieve their desired objectives. The Committee, therefore, feel that efforts are required at the level of Government and the banking sector to help overcome the financial hurdles being faced by SHGs for availing hassle-free and adequate credit. The Committee, therefore, suggest that the strategy for increasing access of SHGs to the formal financial sector should be a long term goal with flexibility to adapt to local needs and situations. Yearly targets should be fixed for credit to self help groups and regular monitoring must be done on the credit flow to women entrepreneurs. The Committee also desire that positive steps should be taken by the government agencies and the banking sector for linking women self help groups with the formal banking channel, ensuring an effective credit delivery system. This will help build up an effective and efficient financial intervention for economic empowerment of SHGs.

(Para No. 1.77)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

The prescribed target of 5% of NBC for lending to women has been fixed by the Government of India, Ministry of Finance and includes finance to Self Help Groups also.

Further, RBI has advised banks on November 3, 2003 that :

i) Banks should provide adequate incentives to their branches in financing the Self Help Groups (SHGs) and establish linkages with them, making the procedures absolutely simple and easy while providing for total flexibility in such procedures to suit local conditions.

ii) The group dynamics of working of the SHGs may be left to themselves and need neither be regulated nor formal structures imposed on insisted upon.

iii) The approach to micro-financing of SHGs should be totally hassle-free and may include consumption expenditures.

Following the budget announcements NABARD has evolved an action plan for promotion and bank linkage of 5.85 lakh Self Help Groups (SHGs). It has been

decided to have a year-wise break-up of 5.85 lakh SHG's to be credit linked during the period 1st April 2004 to 31st March 2004.

Year	2004-05	2005-06	2006-07
Groups to be credit linked	1.85 lakh	2.00 lakh	2.00 lakh

Monitoring of the flow of credit to women through SHG's is being done on a quarterly basis in the SLBC meetings. The RBI and Ministry of Finance (Banking Division) also review the progress in performance of the banks through the quarterly returns received from them.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

Under SGSY State-wise and Bank wise credit targets are fixed, which are monitored through Monthly Progress Reports. In order to further improve the coverage of SHGs, NGOs, facilitators/animators/community based organisations and Self Help Promoting Institutions(SHPIs) are being used for mobilisation of groups as well as in training and hand holding of the SHGs. Banks can also become SHPIs under the programme. The cost of intermediation is made available to the hand holding agencies upto Rs.10,000/- per group. But a major share of these funds are released only when the SHGs are credit linked with the bank.

Targets of credit flow under SGSY are being fixed at the national level, which are then broken into bank-wise targets at the time of preparation of District Credit Plans. The States have been advised to increase the coverage of SHG beneficiaries under the programme. The flow of credit to women beneficiaries under the programme is also being monitored regularly through the Monthly Progress Reports.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

In Swa-Shakti Project it has been seen that in the nine States & 57 Districts the different Commercial Banks, Rural Banks and even their different branches do not follow a set criteria for sanctioning and disbursement of loans. Even the documentation required at each Bank varies to a great extent. The criteria set by some of the Banks for grading of SHGs are not accepted by other Banks. A comprehensive Policy should be made and circulated to all the branches dealing with SHGs so as to adopt a uniform pattern of grading of SHGs and set of documents required for loan so that various branches at their own do not impose their self made pre-conditions for sanctioning and disbursing the loans to the members.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee undertook study tours to various States and visited a number of Self Help Groups and interacted with the women members about the functioning of SHGs. The various problems/constraints such as non-availability of raw materials, inadequate training, inability to select key activities, lack of adequate facilities for marketing their products, high rate of interest on loans to SHGs, etc. were put forth before the Committee. The Committee on Empowerment of Women also organised a Seminar on the subject 'Economic Empowerment of Women' wherein the participants comprising of women Members of Parliament, Experts from Banking and Funding Agencies, and NGOs focussed among other issues, on the problems being faced by Self Help Groups. The various issues/problems/constraints of the Self Help Groups have been discussed in the succeeding paragraphs.

(Para No. 1.78)

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The 18th Report on the Committee on empowerment of women has been circulated to the respective Project States.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

An aspect which came to the notice of the Committee is that the members of the Self Help Groups, especially women, do not have sufficient expertise about the selection of key activities to be undertaken, availability of raw materials at reasonable prices, product design, quality control and upgradation, market needs and other connected issues relating to their activities for which they needed to be imparted suitable training. Though NABARD is stated to be implementing various programmes to address the training needs of rural women and members of Self Help Groups through their capacity building, networking and convergence of services, these are inadequate and have not met the training requirements of the members of the Self Help Groups. In view of the critical importance of training and skill upgradation for the members of the Self Help Groups, the Committee recommend that the Department of Economic Affairs (Banking Division), the Department of Rural Development and the Department of Women and Child Development should rope in Banks and various NGOs to organise training and enterpreneurship development programmes in coordination with various training institutes for the members of the Self Help Groups, especially women, in accordance

with the latest technological advances and market requirements. It cannot be left to the Anganwadi workers to help and train the members of the Self Help Groups as they themselves are not qualified trainers for the activities of the Self Help Groups. The Committee would also like to point out that during their tour to Hyderabad they found that the Andhra Bank had set up Rural Development Institutes for conducting training programmes for self employment for the women. The Committee, therefore, desire that the Reserve Bank of India, NABARD and the Department of Economic Affairs (Banking Division) should take effective steps for setting up of more such training Institutes at block levels on the lines of Rural Development Institutes in other parts of the country.

The Committee would also like to emphasise that all the training programmes should as far as possible be organised at block level rather than in far away cities and towns, as women members of the Self Help Groups due to obvious family compulsions, find it difficult to leave their homes and face enormous difficulties for attending the training programmes held in cities such as accommodation and additional expenditure.

(Para No. 1.79)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Under the SHG-bank linkage programme, there is no emphasis on any key activity to be undertaken by the SHG. It is left to the SHG to utilize the credit according to the needs of the members or the SHG. The concept of key activity is only there under the SGSY scheme implemented by the Ministry of Rural Development, Government of India. Under the SGSY scheme, there are inbuilt provisions for training and skill upgradation. As per Paragraph 5.3 of the SGSY guidelines, where the swarozgari possesses the required skills, he/she may be put through a basic orientation programme after the loan is sanctioned and before it is disbursed. This is mandatory and is to be organized at the block head quarters. As per Paragraph 5.4 of the SGSY guidelines, for the identified activities, swarozgaris who need additional skill development/upgradation of skills appropriate training is to be identified and suitable training programmes organized.

NABARD's women specific programme, ARWIND is a flexible and need based programme which caters to any one or a combination of activities like skill upgradation, skill development, managerial skills, escort services provision of common facility centres, setting up of mother units organizing women product design, quality control margin money requirements etc. Similarly, the exclusive marketing scheme for promoting marketing of non farm products of rural women. MAHIMA also addresses the need based requirements of the rural women like market survey, capacity building including training and awareness programmes on marketing, quality control, technology upgradation, design, development, packaging design, branding, labeling preparation of catalogue, publicity, common marketing facilities including setting up of showrooms, sales outlets, mobile vans and exhibitions etc.

NABARD is already assisting Rural Development and Self Employment Training Institute (RUDSETI), (the institute is sponsored by Canara Bank and Syndicate Bank) and Maha Bank Self Employment Training Institute (MSETI) (sponsored by Bank of Maharashtra) for conducting self employment programme. More than 50% of the participants in these institutes are women.

[Ministry of Finance, Department of Economic Affairs –(Banking Division)O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

As per the guidelines, the selection of activity under SGSY is solely based on the local resources, marketability of the product to be produced, the aptitude and skill of the Swarozgaris. The selection of activity is a participatory process where all the implementing agencies like Bankers, NGOs, Government Officials alongwith the Swarozgaris, after a detailed discussion identify those activities which would be economically viable and sustainable for taking up under SGSY in respective areas. There is a provision under the SGSY to impart basic orientation training and skill upgradation training in identified training institutions in India, such as polytechnics, Krishi Vigyan Kendras, Khadi and Village Industries Board, State Institute of Rural Development , Extension Training Centre etc.. Under Special Projects a number of training and Technology Development Centres and RUDSETI type Institutions (in same cases with Bank participation) are coming up in some States for Training of Swarozgaris. Banks are also being advised to set up RUDSETI type institutions with bank participation in other parts of the country during CLCC meetings where senior level bankers and officers of the Ministry of Finance, Department of Banking are present.

Further the Ministry had initiated planned training programme from 2003-2004 for sensitisation of all Stake holders including Rural Development Functionaries, Bankers, PRI representatives and SHGs. Many of the States have started training as per the approved training plan. The training is being organised at different levels i.e. State Level, District Level & Block Level. Training for Swarogaris/SHGs and PRI representatives is being organised at the block level.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The Project is already organizing training and entrepreneurship development programmes in coordination with various training institutes for members of Self-Help Groups especially women in accordance with the latest technological advances and market requirements. As far as possible, the training programmes are organized at Block Level.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee note that the non-governmental organisations are playing a crucial role in setting up, formation and other activities relating to Self Help Groups. They are extremely important links in the micro finance chain and play a catalytic role in formation of Self Help Groups, as well as their capacity building, training, assistance and post-project monitoring. The Committee are of the opinion that as the NGOs are in close contact with the women members of Self Help Groups, at the grassroot level, greater attention needs to be paid by the Banks to utlilize the services of the NGOs in reaching out to the women, especially in rural areas. Banks should step up their efforts to encourage the NGOs to coordinate with the Self Help Groups through appropriate linkages to identify the needs of these groups and give them credit related information and guidance services.

(Para No. 1.82)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

There are three models of the SHG-bank linkage programme. As on March 2003, the percentage of total linkage under these models are as under :

- Model 1, lending directly to SHGs without intervention/facilitation of any NGO, accounts for 20% of the total linkage under the programme.
- Model II, lending directly to SHGs with facilitation by NGOs and other formal agencies amounts to 72% of the total linkage.
- Model III, lending through NGO as facilitator and financing agency represents 8% of the total linkage.

It may be noted that the model in which bank lends to SHGs with the NGO as the facilitator has got the maximum credit linkage (72%). This shows that banks are more comfortable with this model and the services of NGOs are utilized by the banks to advance loans to SHGs promoted by the NGOs.

NABARD provides grant Assistance to NGOs to take up promotion of SHGs as an "add-on" function to their existing activities. Efforts are continued for weaning a large number of NGOs working in social sector interventions into

taking up promotion and nurturing of SHGs. Grant assistance to NGOs is provided for meeting the additional costs of promoting and nurturing new SHGs, their requirement of stationery, mobility support and administrative expenses. As on 31 January 2004, the amount of cumulative grant support sanctioned by NABARD aggregated Rs.14.82 crore covering 748 NGOs for promotion of 1,12,689 SHGs.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The Ministry agree with the view of the committee that NGOs play crucial role in formation development, capacity building and other activities related to Self Help Groups and therefore banks should utilize the services of NGOs in reaching out to the women, especially in rural area.

Para 3.8 of SGSY guidelines provide for role of NGOs/Community based organizations in formation development and capacity building of the SHGs and facilitators. By bringing out modification in the guidelines the Ministry has also provided opportunity even to Bankers to play the role of Self Help Promoting Institutions(SHPIs) in formation, development and capacity building of SHGs. The guidelines even stress upon DRDAs to strengthen and consolidate the groups formed by NGOs, banks, Rastriya Mahila Kosh and SHGs formed under Swashakti and Swayam Siddha programme of Department of Woman and Child Welfare. Also DRDAs are suggested through guidelines to prepare the data base on Self Help Groups formed by other agencies including NGOs in order to ensure convergence of various schemes as well as for better planning for training and other requirements of NGOs.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

In Swa-Shakti Project it has been observed that most of the time we (groups as well as Project implementers) approach the Banks for loans and Banks are a bit hesitant to come forward or extend the loan facilities to the members. In fact, some of the Banks are still treating the SHG members as beneficiaries rather than their clients. Until the Bank recognizes the SHG members as their clients, their attitude towards members will not change. Keeping in view, the high repayments percentage, it is felt that the Banks must recognize SHG members as their clients rather than beneficiaries and should approach at their own to these clients.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee are of the view that the following suggestions, if implemented would go a long way in strengthening the SHGs and enable them to achieve the avowed objective of making women, especially from rural areas, economically independent:-

a) Measures should be taken for making the SHG movement with focussed efforts on capacity building of SHGs, especially in the areas of self-management, leadership development, financial management etc.

b) The capacities of NGOs and government organisations should be built and enhanced for forming, managing and developing SHGs in a sustainable manner.

d) In order to focus special attention on the needs of women entrepreneurs, banks need to have separate women's cells for counselling/guiding women on self-employment opportunities etc.

e) Suitable mechanism should be put in place for monitoring the schemes being implemented for credit flow to women entrepreneurs and SHGs. RBI should also monitor and give suitable directions to banks from time to time.

f) State Governments should take steps to make available more land to the women SHGs for their economic empowerment.

g) There should be provision for a credit card for the SHGs like the Kisan Credit Card.

i) Effective steps should be taken for providing adequate forward and backward linkages to the SHGs to enable them to undertake viable economic activities.

j) Rural and cooperative banks, in addition to big nationalised banks should also be made the financing agencies for women SHGs because they are available in the rural areas.

k) To expand the activities of women SHGs in tribal areas, exploitation, utilisation and marketing of minor forest produce like leaves, roots, resin, honey, broom stick, tamarind etc. should be assigned to women SHGs."

[Para Nos.1.84(a)&(b), (d) to (g), (i) to (k)]

<u>Reply of Ministry of Finance</u>
(Department of Economic Affairs – Banking Division)

Pursuant to the budget announcement in 2000-01, a Rs.100 crore Micro Finance Development Fund was created in NABARD to support credit plus activities as part of structural, supply-side initiatives to broaden the scope and improve the quality of micro credit delivery systems in the country. RBI has contributed Rs.40 crore to this Fund. The activities proposed to be supported by the Fund are: (i) giving training and exposure to self-help group (SHG) members, partner NGOs, banks and Government agencies; (ii) providing start-up funds to micro finance institutions and meeting their initial operational deficits; (iii)

meeting the cost of formation and nurturing of SHGs; (iv) designing new delivery mechanisms; (v) promoting research, action research, management information systems and dissemination of best practices in micro finance; and (vi) Special emphasis will be placed on promotion of micro enterprises in rural areas set up by vulnerable sections including women, scheduled castes, scheduled tribes and other backward classes.

As regards the monitoring of the schemes for women, sub targets are there in the various Government sponsored schemes for women, which are to be achieved by the banks. The achievements of these targets are being monitored by the Government as well as the RBI.

As regards the grading systems adopted by banks for assessing the SHGs, it has been considered that it takes at least six months for members to form a group and become cohesive enough to carry on group activities. For a group to become more financially independent with the capacity to manage their own resources, it may require even take more than six months.

Under the SGSY scheme, emphasis has been given for the backward and forward linkages to the SHGs to enable them to undertake viable economic activities.

RRBs and Cooperative Banks also take part in the SHG-bank linkage programme. As on March 2003, 523 districts in all the States/UTs have been covered under this programme, 504 banks including 48 commercial banks, 192 RRBs and 264 Co-operative Banks alongwith 2,800 NGOs have been associated with the SHG-bank linkage programme.

NABARD's activities on strengthening SHGs include :

i) Capacity building and training of all partner institutions has been the key strategy of NABARD in upscaling the programme. NABARD has been providing financial and technical support for training of staff of banks, NGOs and Govt. agencies to induct them into the SHG-bank linkage programme as also to further enhance their effectiveness in the field on micro Finance. Capacity building of SHG members is also supported through the Self Help Promoting Institutions. The support included designing of course modules, conducting training programs, financing such interventions and evaluating the programs conducted. NABARD also provided capacity building support to "Mission Shakti" program of Government of Orissa, "Stree Shakthi" programme of the Government of Karnataka and also special initiatives of the Tamil Nadu Women's Development Corporation.

ii) During the year 2002-2003, various training sensitization and exposure programs conducted and/or supported covered more than 14 lakh members of SHGs, 31,256 bank officials, 3,748 NGO officials, 5,216 officials of government agencies and 19422 others. In addition to this 137 awareness meets and seminars were conducted which were participated by 2,232 bankers, 1,008 NGO officials and 9,261 officials from other agencies. In addition to

these programmes, two exclusive workshops for senior officers belonging to the Indian Administrative Service (IAS) were organized in collaboration with the Lal Bahadur Shastri National Academy of Administration, Mussorie to sensitise senior Government Officials about micro Finance and SHG Linkage Program. A new training program for the elected members of Panchayati Raj institutions in order to build awareness among them and involve them in the SHG-Bank Linkage program was introduced for the first time. 45 such programs covering 925 elected public representatives were conducted during the year.

iii) **NABARD has prepared useful resource material viz. "A Handbook on Forming SHGs" for Self Help Promoting Institutions for SHPIs and "A Handbook on banking with SHGs. How & Why?" for bank Branch Managers. These hand books contain information on 'must knows" of SHG formation and financing for use by bankers and other enthusiasts. The same has been shared with all bankers and partner institutions.**

iv) NABARD already has a scheme for supporting the women development cells in RRBs and Co-operative Banks. It also takes care of the capacity building needs of the key persons posted to these cells, including their capacity for counseling and guiding the women entrepreneurs.

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v) Various feedback obtained from promoters of SHPIs has revealed that SHGs normally take 6 months to mature. During the 6 months period the groups will have to initially evolve group bye laws for its functioning, demonstrate that it can undertake not only regular savings from its members but also has acquired the capacity to onlend and recover. Besides, the group will also have to acquire minimum skills required for book-keeping. As the sustainability of group rests on the capacity building process through which the members gather various skills, the six months period is considered to the be minimum. Any dilution in this norm is likely to affect the group maturity process and its ability to pass the grading norms prescribed for availing bank loans.

vi) Promotional programmes provide for adequate forward and backward linkage including escort services so that women entrepreneurs are enabled to undertake economic activities on a sustainable basis.

vii) NABARD had issued guidelines in 1996 to both Regional Rural Banks and Cooperatives banks to finance SHGs. Of the 196 RRBs, 192 RRBs are already financing SHGs. Similarly, 264 CCBs are participating in the programme.

viii) To expand the activities of women self help groups in tribal areas, exploitation, utilization and marketing of minor forest produce like

leaves, roots, resins, honey, broomstick, tamarind etc. should be assigned to women Self Help Groups.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

(a)&(b) The guidelines of SGSY provides for stress on basic orientation and skill development training to SHGs facilitators bankers and RD functionaries involved in the programme.

The Ministry has initiated planned training programme during 03-04 not only for sensitization and capacity building of RD functionaries, bankers, NGOs, PRI functionaries, and SHGs but also for skill up-gradation of SHGs. 23 proposals from various State Governments, DRDAs, organizations were cleared last year. Training manuals have been prepared and sent to the State Governments and other training institutions for use in training programmes

(f) State Governments have been advised to take suitable action in this regard

(g) Matter will be discussed with RBI and banks to take action in this regard.

(i) To ensure adequate backward and forward linkages to the SHGs to enable them to undertake viable economic activities the SGSY guidelines insist on preparation of project report on key activities including aspects such as training, credit, technology, infrastructure and marketing(para 1.15). Twenty per cent funds in all States and twenty five per cent in North Eastern States can be utilised for developing infrastructure such as processing units, marketing facilities, training/technology related support activity.

(j) The Ministry agrees with the committee that Rural and cooperative banks, in addition to big nationalised banks should be made financing agencies for women SHGs. These banks are already being involved by the States in financing the SHGs including women SHGs.

(k) Guidelines of SGSY lay a thrust upon local resources and skill of the people as criteria for selection of Key Activities. The block level SGSY committee is free to select the key activities through a participative process.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The suggestions of the Committee which relates to the Swa-Shakti Project have been noted and efforts will be made to implement these.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee also note that to bring the assisted poor families (Swarozgaris) above the poverty line by organising them into Self Help Groups, the Department of Rural Development launched in April, 1999 the Swarnajayanti Gram Swarnajayanti Gram Swarozgar Yojana (SGSY) by restructuring the erstwhile IRDP and allied Schemes. This objective was to be achieved through the process of social mobilisation, training and capacity building and provision of income generating assets through a mix of Bank credit and Government subsidy. As per the guidelines of the SGSY programme, special safeguards have been provided by way of reserving 40% benefits within the target group for women. The Committee are dismayed to note that in reality, the achievement has fallen far short of the targets laid and the actual benefits have not reached the women in the same proportion. The achievement of the Public sector banks in financing women under the SGSY Scheme shows that against the target of 40% reservation for women , the actual achievements yearwise from 1999-2000 to 2002-2003 have been 20.16%, 35.07%, 28.61% and 23.13% respectively. The Committee feel that there is need for better targeting of the schemes under this poverty alleviation programmes. The Committee, therefore, desire that the Department of Economic Affairs (Banking Division) and the Department of Rural Development as well as the banks should ensure that the targets laid down for extending the requisite benefits to women under the above programme are achieved. The Committee would like to emphasise the need for suitable steps to see that the women beneficiaries, majority of whom are poor, are identified properly. It should also be ensured that allocation earmarked for women under the aforesaid programmes are not diverted to other programmes.

(Para No. 1.85)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

SGSY envisages assistance to rural women to the extent of 40% of the target. Financing banks generally select good working women groups for assistance with a view to achieve the target. Review of SGSY in banker's meeting include review of sub-targets and it is essential that at block level the stipulated level of 40% assistance to women beneficiaries is achieved so that at the district level the target is achieved without much difficulty.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The Ministry is monitoring the progress of the scheme through monthly progress report to be furnished by the DRDAs. If any shortcomings in the coverage of vulnerable groups are noticed, the States/UTs are impressed upon to improve performance during the field visits of the Sr. Officers of the Ministry under the Area Officer scheme, in the meetings of the Central Level Coordination Committee(CLCC) and Performance Review Committee Meetings with the State Governments.

Physical coverage of Women Swarojgaries since inception of the scheme is given below:

	1999-2000	2000-2001	2001-2002	2002-2003	2003-04	Total
No. of women swarojgaris assisted Nos./C% (in brackets)	416690 (44.62)	409451 (40.69)	385791 (41.15)	382613 (46.31)	445827 (52.59)	- (45.07)

On average 45.07% of total swarojgaris assisted since inception of the scheme were women which is higher than the target envisaged in the scheme(40%)

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

In this Project only Women groups are formed and at present about 79% of the beneficiaries are from SC/ST/OBC categories.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee also understand that the SGSY Scheme is financed on 75:25 cost sharing basis between the Centre and the States. The Committee are constrained to note that during 2001-2002, the utilization of funds by the States/UTs was Rs. 969.77 crores against the total available fund of Rs. 1299.01 crores which was 74.66% of the total available fund. The Committee further note that while the utilization was more than 85% in some States, it was less than 75% in States/UTs like Pondicherry, Lakshadweep, Dadra & Nagar Haveli, Daman and Diu, Andaman and Nicobar Islands, West Bengal, Uttar Pradesh, Meghalaya, Goa, Bihar, Assam and Arunachal Pradesh. According to the Department of Rural Development the reasons for poor utilisation of funds in some of the States could be due to carry over of huge unspent balances from the erstwhile IRDP and allied schemes, lack of cooperation from banks in sanction and disbursement of credit, non-availability of Facilitators/Resource persons for social mobilisation of the rural poor and organising them into SHGs.

(Para No. 1.86)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Reserve Bank of India (RBI) has been advising the banks time and again to achieve the credit mobilization targets under SGSY and vide its circular No. SP.BC.47/09.01.01/2003-04 dated November 18,2003, has reiterated that banks should dispose of the SGSY loan applications within the prescribed time limits, ensure greater coordination with Government functionaries and avoid underfinancing. Banks should also conduct sensitization programmes for their staff and block level officers. All CEOs/MDs of scheduled commercial banks have been advised to monitor the scheme at their level and take active role in implementation of the same. RBI vide its circular RPCD.SP.BC.70/09.01.01/2003-04 dated March 16, 2004 has also advised banks to put in all efforts to achieve the credit targets, minimum subsidy ratio fixed and maintain per family investment of Rs.25,000/- under the scheme.

Utilisation of funds by the State is reviewed at the State level by the Rural Development Department. At the district level, release of subsidy and grant of bank loan

is reviewed every month at banker meetings. This apart, DRDA at district level may have periodical structured meeting to review utilization of subsidy and funds earmarked for training and other infrastructural requirements under SGSY.

[Ministry of Finance, Department of Economic Affairs –(Banking Division)O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

Various steps are taken to improve the implementation of the programme including improvement in utilisation of funds by the States/UTs.

Guidelines of SGSY have been amended to give flexibility to the States /DRDAs in utilisation of fund and to involve Banks as facilitators in group formation. States are being advised regularly to avoid bunching of applications and achieve better utilisation of funds and credit under the programme. Further in order to get cooperation from Banks in sanction and disbursal of credit Secretary (RD) had a meeting with Secretary(Banking), Ministry of Finance in which credit related issues and involvement of banks were discussed. RBI also conducted a quick study to know the reasons in delay of disbursement and subsequently have issued instructions to banks for minimizing the gap between receipt of loan applications, their sanction and disbursement of loans. Further as a follow up of the meeting taken by Minister(RD)& MOS(Fin) with CEOs of public sector banks in October 2003, the Ministry & RBI has issued directions to the States & Banks to take necessary steps for improving the credit flow to the swarojgaris being assisted under the programme.

Owing to the above mentioned efforts, the utilisation of total available funds by the States/UTs has increased from 74.66% in 2001-2002 to 83.63% in 2003-2004. Unspent balance which was Rs.661.58 crore during 2001-2002 has reduced down to Rs. 286.62 crore at the beginning of the year 2003-2004 . Trends in utilisation of funds against total available fund and unspent balance since inception to March 04 are given below.

S.No	Year	1999-2000	2000-01	2001-02	2002-03	2003-04
1	% of utilisation to fund available	48.92%	69.52%	74.67%	78.18%	83.63%*
2	Unspent balance as on 1st April (in crores)	776.62	854.74	661.58	415.77	286.62*

* Final reports of March from some DRDAs are yet to be included.

[Ministry of Rural Development, Department of Rural Development
O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Recommendation

As the underlined idea behind the implementation of the SGSY Scheme is to bring the assisted poor families above the poverty line by organising them into SHGs, the funds allocated need to be fully utilised as this will ultimately benefit the Self Help Groups. The Committee cannot but emphasise the need for monitoring and periodically reviewing the implementation of the scheme with special reference to the utilization of funds. The Committee, therefore, desire that the Department of Rural Development and the Department of Economic Affairs (Banking Division) should take steps to not only ensure that allocated funds under the programme are released to the States but also impress upon the State Governments the need for optimal and proper utilisation of the allocated funds.

(Para No. 1.87)

Reply of Ministry of Rural Development
(Department of Rural Development)

The allocated funds are being released to the States regularly. Further the utilization of funds under the scheme is being monitored through the meetings of Central Level Coordination Committee(CLCC), Performance Review Committee(PRC) and Area Officers' visits to the State . Monthly Progress Reports (MPR) are being received from the States and the issues arising out of these progress reports are discussed in the CLCC and PRC meetings.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

Extensive monitoring is done to ensure that funds released to the Project States are optimally utilized.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee note that 134 Special Projects under SGSY are in various stages of implementation by the Department of Rural Development at the total cost of Rs. 388.83 crores. These Special Projects are stated to be basically activity specific projects or area specific projects. The proposals in this regard are received from the State Government and also from institutions. According to the Department, the objective of each Special Project is to ensure a time-bound programme for bringing a specific number of Below Poverty Line (BPL) families above the poverty line through self-employment programmes. The projects may involve different strategies to provide long-

term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training etc., or a combination of these.

The Committee have been given to understand that the Ministry is facing difficulties in the implementation of these Projects due to reasons such as - non-receipt of proposals from about half of the States, inordinate delay in release of State share by State Governments etc. In major Projects, requisite land, approval of design and specifications of building and equipment, necessary approval of competent authority etc. have not been completed resulting in a major constraint in the implementation of these Projects. The Committee desire that urgent necessary steps are taken by the Department of Rural Development to ensure that the concerned State Governments remove these bottlenecks. The Committee would like to be informed as to when these Projects would be completed and what perceptible improvement in the economic conditions of the women would be brought out by the implementation of such Projects. The Committee feel that wide publicity should be given to these Special Projects and area representatives or the Members of Legislative Assemblies and Members of Parliament should be involved in the implementation of the Special Projects.

(Para No. 1.88)

Reply of Ministry of Rural Development
(Department of Rural Development)

The objective of the Special Project under the SGSY is to ensure a time bound programme for bringing a specific number of Below Poverty Line(BPL) families above the poverty line through self-employment programme. The special projects also attempt to set up models, which can be replicated. The project may involve different strategies to provide long-term sustainable self-employment opportunities either in terms of organization of the rural poor, provision of support infrastructure, technology, marketing, training etc., or a combination of these . It is expected that the assisted poor families including women will cross the poverty line over a period of time. The State Governments have been suggested to furnish the expected increase in income of the beneficiary while submitting proposals to the Ministry.

The Ministry has sanctioned 158 projects since inception of the scheme i.e.1.4.99 with total GOI share of Rs.808.68 crores(as subsidy) till date. However, total approved cost of these projects is Rs.1350.82 crores. The central releases to the States since 1.4.99 till 31st March,2004 was Rs.450.18 crores. Some major States like UP, Bihar, Orissa, Chhattisgarh, Jharkhand and J&K have not submitted well formulated projects as the State Rural Development Departments of these States have not set up any body at the State level to formulate and coordinate the projects. On the other hand States like Andhra Pradesh, Assam, Madhya Pradesh, Rajasthan, Uttaranchal, Maharashtra, Tamil Nadu, Tripura, Gujarat and Himachal Pradesh have been submitting comparatively better projects to the Ministry. The States have been advised to use professional agencies for preparation of projects and have a Project Monitoring Unit(PMU) for close monitoring of the projects at the State level. As far as delay in the release of the State share is concerned Ministry is taking care of this at the time of release of the second instalment. Further instalment is released toward the project after

release of the State share and submission of the utilisation certificate, audited statement and quarterly progress report. As far as possible Ministry is taking care that before sanctioning of the project some of the possible bottlenecks such as acquisition of land, design specifications of the machinery, MOU and tie-ups, list of BPL families etc. are taken care of . The details regarding completion of the projects are given in the enclosed statement **(Annexure).** Two projects are on verge of completion as the final instalments have been released towards these projects. Three projects of NE States have been completed and the Ministry has recently received a completion report. The suggestion of the Committee to give wide publicity to the Projects and keep the MPs and MLAs informed about the implementation of the project has been forwarded to the States.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSE IN VIEW OF THE REPLIES RECEIVED FROM THE GOVERNMENT

Recommendation

The Committee are of the view that the following suggestion, if implemented would go a long way in strengthening the SHGs and enable them to achieve the avowed objective of making women, especially from rural areas, economical

h) Under the grading system being implemented by the Banks to assess the credit worthiness of the Self Help Groups, the grading period should be reduced from six months to three months.

[Para No. 1.84(h)]

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Various feedback obtained from promoters of SHPIs has revealed that SHGs normally take 6 months to mature. During the 6 months period the groups will have to initially evolve group bye laws for its functioning, demonstrate that it can undertake not only regular savings from its members but also has acquired the capacity to onlend and recover. Besides, the group will also have to acquire minimum skills required for book-keeping. As the sustainability of group rests on the capacity building process through which the members gather various skills, the six months period is considered to the be minimum. Any dilution in this norm is likely to affect the group maturity process and its ability to pass the grading norms prescribed for availing bank loans.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

SGSY guidelines provide for a period of 6 months or more for grading the groups. In case of SHGs which have been in existence prior to the SGSY and have completed 6 months from the date of formation such groups can be graded immediately without waiting for 6 months. However, as far as new groups are concerned it is felt that the period of 6 months is given to the groups to understand the concept of group process so that they are well equipped with group concept before they take up economic activity. Further this time also helps to build trust for each other among group member. Therefore reduction in this period may hamper the objective of SHG movement.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The suggestion of the Committee which relates to Swa-shakti Project has been noted and efforts will be made to implement the same.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee note that Rashtriya Mahila Kosh was set up by the Government in 1993 for the purpose of providing small loans to poor women organised into Self Help Groups through Government and Non-Government Organisations. The objective of the scheme is to help women organise into income-generating activities. One of the features of the financial assistance provided under the scheme is that RMK charges interest at the rate of 8% per annum calculated on reducing balance from their borrowers. The borrowing organisations, in turn, are allowed to charge interest from the Self Help Groups upto a maximum of 18% per annum calculated on reducing balance. The Committee are not convinced by the reason advanced by the representatives of the Department of Women and Child Development that although there is a provision for rate of interest upto 18% to be charged by borrowers from Self Help Groups, in practice they only charge about 12%, which is slightly higher, to allow them to meet their administrative cost etc. The Committee feel that the guidelines give the borrowers undue leeway to charge exorbitant rate of interest, which in fact, is much more than that charged by Public Sector Banks. Thus , by allowing the borrowers to charge high rates of interest from the Self Help Groups, the desired objective of the scheme i.e. to improve their socio-economic status can hardly be achieved. The Committee, therefore, recommend that Rashtriya Mahila Kosh should charge interest at the rate of 5-6% from the borrowers who in turn should be allowed to charge interest from the Self Help Groups at the rate of 8 to 9% per annum, only. The Committee desire early action in this regard and would like to be apprised of the same within three months of the presentation of this Report.

(Para No. 1.90)

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

RMK is already loosing its NGO partners to SIDBI which allows NGOs to charge interest rate in the range of 24-30% p.a. from beneficiaries. It is felt that any decrease in the margin to be allowed to NGOs by RMK as result of reduced interest rate to be charged from beneficiaries may prove to be counter productive and off take of loan by NGOs from RMK may actually decline. This is likely to reduce availability of credit to the target beneficiaries.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation

NABARD is stated to have taken steps in which intensive focus has been placed on scaling up the SHG programme in non-Southern regions especially in 13 priority States viz, Rajasthan, Madhya Pradesh, Chattisgarh, Uttar Pradesh, Uttaranchal, Himachal Pradesh, Bihar, Jharkhand, West bengal, Assam, Orissa, Gujarat Maharashtra, which account for nearly 70% of the poor. The Committee have further been informed by NABARD that out of the 2.53 lakh SHGs financed by banks during the year 2002-03, 1.08 lakh Self Help Groups (42.5%) were credit linked in the non-southern States. However, the Committee note that the growth in the SHG Bank Linkage Program in 13 Priority States in the last three years indicate that while the percentage of growth as on 31st March, 2003, has been commendable in some States like Assam (239.55%), Bihar (106.24%), Orissa (105.67%), Madhya Pradesh (91.34%), the progress in some other States such as in Gujarat (46.11%), Maharashtra (43.05%), Uttar Pradesh (62.15%), Himachal Pradesh (75.08%) has not been encouraging. The Committee, therefore, desire that in order to popularise the concept of SHGs in the States which are lagging behind in the SHG movement, effective steps need to be taken by the Reserve Bank of India, NABARD, Public Sector Banks in consultation and coordination with concerned State Governments, Local Bodies and NGOs. In this regard, some of the State agencies such as Women Development Corporations, literacy missions, Land Development Corporations, etc should also be involved in a bigger way in organising women into SHGs.

(Para No. 1.74)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

As part of RBIs continuing initiatives in the microfinance sector, a high level meeting on micro finance was convened under the Chairmanship of Deputy Governor in October 2002. Pursuant to this, four Groups were set up to look into issues relating to : (i) Structure and Sustainability; (ii) Funding; (iii) Regulations; and (iv) Capacity Building of micro finance Institutions. The recommendations of the groups were discussed at length in the second high-level meeting held on August 6, 2003 under the Chairmanship of Deputy Governor. The reports of the four groups were circulated among all the banks to elicit their responses. On the basis of the feed back received and based on the Governor's announcement in the credit policy for 2003-04, RBI has advised banks on November 3, 2003 that :

i) Banks should provide adequate incentives to their branches in financing the Self Help Groups (SHGs) and establish linkages with them, making the procedures absolutely simple and easy while providing for total flexibility in such procedures to suit local conditions.

ii) The group dynamics of working of the SHGs may be left to themselves and need neither be regulated nor formal structures imposed on insisted upon.

iii) The approach to micro-financing of SHGs should be totally hassle-free and may include consumption expenditures.

The non-southern states have achieved significant progress in the recent years as could be seen from the trends for the last few years. However, keeping the observations of the Committee in view, NABARD would provide focused attention to states like Gujarat, Maharashtra, UP and HP where the programme required to be popularized. Steps would also be taken to coordinate with State Govt., local bodies and NGO's.

[Ministry of Finance, Department of Economic Affairs –(Banking Division)O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The Ministry agrees with the view of the committee that in order to popularise the concept of SHGs in the States which are lagging behind in the SHG movement effective steps need to be taken by Reserve Bank of India, NABARD, Public sector banks in consultation and coordination with concerned State Govts., . local bodies and NGOs. SGSY guidelines clearly recognise the role of facilitators in mobilizing the Rural Poor for organising them into Self Help Groups and therefore SGSY guidelines provide that the DRDA may engage any person/ organisation either official or non official as facilitators. As per the guidelines community coordinators/animators/facilitators and Self Help promoting Institutions could be from the Community or from outside the area. They could be NGOs or CBOs , community coordinator, commercial Banks/Regional Rural Banks or a leader/member of SHG. The District SGSY Committee can select any suitable organisation/Society/ Individuals or Rural Bank branches as facilitator who have experience in SHG formation, Community organisation etc. Further guidelines also stress upon the DRDA to put in concerted efforts to strengthen and consolidate the groups assisted by NABARD and the groups formed by Rastriya Mahila Kosh and under Swa-Shakti and Swayam Siddha Programmes of Women and Child Welfare Department.

Efforts are also being made for convergence of SGSY with various programmes like Dairy development, Sheep breeding, Poultry development of Ministry of Agriculture, Handloom & Handicraft related programmes of Ministry of Textile, Literacy Programme of Department of Education, Programmes related to eradication of Major Diseases of Department of Health and RCH of Family Welfare etc. Instructions have been issued to State Governments to involve the SHGs in Mid-day Meal Scheme of the Department of Elementary Education.

Further directions have been issued to State Governments to involve State Agencies like Women development Corporation, Literacy Mission, Land Development Corporations in mobilizing the people to form SHGs.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

We agree that there is substantial disbursement of Bank loans and group related benefits in the Southern States. While formulating the Swa-Shakti Project this point was kept in view and accordingly more states from other regions were included in this pilot Scheme. At present, the Swa-Shakti Project is implemented in nine States viz. Bihar, Chattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Madhya Pradesh, Uttar Pradesh & Uttaranchal. Out of these nine States only one State that is Karnataka was included in the Swa-Shakti Project that too to act as a model State for other new States.

In view of satisfactory implementation of Swa-Shakti Project, the World Bank has offered Phase-II of the Project. Committee's suggestions for including the non-southern States is well taken and it will be ensured that the SHGs movement is extended to the non-covered areas also so that benefits of this successful module reaches nation wide.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

It is pertinent to note that recognising the problems being faced by women in reaching out to the formal banking system, the Reserve Bank of India issued instructions on July, 26, 2001 to all banks to earmark 5% of their Net Bank Credit (NBC) for lending to women within 3 years, viz. by March, 2004. Consequently, the outstanding level of credit to women which stood at 2.36% of Net Bank Credit as on September, 2001 has gone upto 3.90% of Net Bank Credit as on March, 2003. However, the Committee find that the percentage of Net Bank Credit for lending to women by some Banks as on March, 2003 was far below the average figure of 3.90% of Net Bank Credit and they may not achieve the modest target of 5% by March, 2004. The banks which are lagging behind are State Bank of India (2.55%), Central Bank of India (2.56%), UCO Bank (2.57%), Bank of India (2.68%), Corporation Bank (2.84%), Dena Bank (2.88%), State Bank of Bikaner and Jaipur(2.89%) etc. What has surprised the Committee is the fact that the biggest and most prestigious bank *viz.* State Bank of India is at the bottom in the ranking for lending Net Bank Credit to women. The Committee feel that not only the target of 5% should be achieved by all the banks by the stipulated date, but it should also be increased beyond that as has been done by some banks *viz.* Andhra Bank (6.14%), Indian Bank (7.03%) and Canara Bank (6.04%). The Committee, therefore, recommend that the Department of Economic Affairs (Banking Division)/Reserve Bank of India should impress upon the Banks which are lagging behind to take suitable remedial steps to enhance Net Bank Credit for lending to women.

(Para No. 1.76)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Reserve Bank of India (RBI) has reported that as on 31.3.2004, 19 of the 27 public sector banks have achieved the lending target of 5% of Net Bank Credit to women. The following banks could not reach the target:

1.	State Bank of India	3.19%
2.	SB Saurashtra	1.32%
3.	Uco Bank	3.40%
4.	Oriental Bank of Commerce	3.58%
5.	Dena Bank	3.38%
6.	Corporation Bank	3.64%
7.	Central Bank of India	4.63%
8.	Bank of India	4.31%

The Chief Executives of these banks have since been advised to take steps to achieve the target latest by 31.12.2004.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Recommendation

A significant problem being faced by SHGs is the fact that while it was easy for them to produce various items, it was difficult to market their products due to lack of adequate marketing facilities. In this regard, the Committee have been informed that under the (MAHIMA) Scheme for marketing being implemented by NABARD, various initiatives are being taken for promotion of marketing of products produced by women SHGs. Also, the SGSY Guidelines envisage creation of an infrastructure fund, which could be used for strengthening marketing infrastructure and related activities. The Committee would, however, like to point out that although these schemes have been evolved, the coverage and facilities under them is not adequate. In fact inadequate marketing facilities was voiced as the main difficulty in the operation of SHGs by the members of various SHGs when the Committee visited various States and interacted with them. It came to the notice of the Committee that most of the Self Help Groups produced only 3-4 items such as pickles, agarbathis, soaps etc according to the availability of local raw materials, without any value addition or quality upgradation for which they find few buyers. The Committee recommend that the Department of Economic Affairs (Banking Division), Department of Rural Development and the Department of Women and Child Development should impress upon the concerned State Governments to take suitable steps for extending marketing support to the SHGs including marketing outlets, design support, and support and assistance in maintaining quality control of the products. Common marketing facilities through women cooperatives and Khadi and Village Industries Commission should be ensured which will assist in enlarging the operation of SHGs and improving their profits. The Committee desire that a district-wise profile should be made for identification of materials locally

available. For this, there should be a nodal agency having the expertise to identify and develop viable projects at the local level which will provide economic support to the Self Help Groups. Some of the items which can easily be produced and marketed by Self Help Groups are:-

i) Chalk for the rural schools;
ii) Food supplied by Anganwadi workers in rural schools under the ICDS projects;
iii) Exercise books for rural children;
iv) Uniforms for schools, police and safai karamcharis;
v) Rolling of bandages for medical Centres;
vi) Aromatic candle making;
vii) Paper-carry-bag making;
viii) Herbal cosmetics;
ix) Ubtan powder;
x) Jasmine oil extraction;

The Committee recommend that the State Government Departments/Organisations should be instructed to give preference to purchase of aforesaid items from Self Help Groups.

(Para No. 1.80)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

District-wise Potential Linked Plans (PLP) prepared by NABARD, have a separate chapter on women development, wherein the details of potential activities based on the local availability of material are available. NABARD prepares the PLP district wise for all districts and updates it regularly. Some of the activities included in the PLP are:

- Woollen/hand Embroidery
- Tailoring, Garment making
- Dress Designing
- Chikan works
- Food Processing
- Golden Grass Craft
- Darri Weaving
- Mat weaving with wild straw
- Beauticians service
- Embroidery and Patchwork
- Zari Work
- Zardoshi work
- Cane bamboo craft
- Dryfish processing
- Soft Toys
- Applique designs
- Silk thread making
- Mirror Embroidery
- Madhubani Painting
- Coconut Shell Craft

- Sea Shell Handicrafts
- Leaf soap detergent making
- Construction work
- Chalk making
- Leaf plate making
- Bead, embroidery
- Tailoring
- Tasar reeling
- Readymade garment
- Jewel craft
- Applique craft
- Saree painting
- Honey extraction and beekeeping

Many State Governments are themselves making arrangements for marketing of products of SHGs. However, NABARD has since advised the State Governments to provide marketing assistance for SHG products by involving the concerned local agencies.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The SGSY guidelines provide that the line Departments of the State Governments are responsible for planning and creation of the infrastructure required for making the key activities successful. For each key activity there should be a project report. The Project Report should indicate that whether the key activity selected is for individual or group or both.

The SGSY guidelines also provides for utilizing the services of professionals/experts in the field of marketing for selection of activity through market survey and research, preparation of viable projects, design, value addition, packaging, production quality monitoring etc. Upto twenty percent funds in plain areas and twenty five percent in North East are being used for creation of programme related infrastructure including marketing outlets. Haats are also being constructed under Sampoorna Grameen Rozgar Yojana. In addition under Special Project Component some States are building Marketing facilities for the SGSY beneficiaries to market their products.

In addition Marketing avenues are being provided through SARAS Pavilion in the India International Trade Fair, Regional SARAS Melas and Gram Shree Malas to help swarozgaris to market their products. The State Governments have also been instructed to give preference to purchase of items produced by SHGs for Government use.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The Project is already adopting Committee's suggestions as far as the marketing and training is concerned. A tentative list of Income Generation Activities have already been circulated to the SHGs in the Project. The Project States have been advised to undertake those income generation trainings only for which an extensive market research has been done, Product identified, potential of members ensured, Bank linkages ensured, Business Plans finalized and market channels are ensured. The Project States are also advised to give preference to purchase of items from Self Help Groups.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

It has also been brought to the notice of the Committee that the Banks are giving only 3.5% interest to the Self Help Groups on the money deposited by them but are charging upto 12% interest on loans to them. In this connection, the representative of the Reserve Bank of India stated during evidence that, "in our various credit policies which come out every six months, we have given the signal, an indication to the Banks that there is a low interest rate regime, the rates of interest are coming down - and these rates of interest should be reflected in the lending rates also." The Committee regret to point out that the rate of interest on loans to Self Help Groups is high despite easy and almost full recovery of their loans. Further, existence of low interest rate regime at present strengthens the case for reducing the rate of interest on loans to Self Help Groups. The Committee therefore, recommend that the interest rate on loans extended to Self Help Groups should be reduced substantially in order to bridge the gap between the low rate of interest given by banks on deposits of the SHGs and the higher rate of interest charged on the loans extended to them.

(Para No. 1.81)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

The interest rates applicable to loans given by banks to micro credit organizations or by the micro credit organizations to Self Help Groups/member beneficiaries has been left to the discretion of the banks. The interest rate ceiling applicable to direct small loans given by banks to individual borrowers, however, continues to remain in force.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The recommendation concerns the Ministry of Finance(Banking Division). However, this issue being important for success of SGSY, has been raised from time to time at various fora including Central Level Coordination Committee(CLCC), highest body to review and monitor the progress of the scheme which is chaired by Secretary(RD)& Deputy Governor of RBI, Secretary, Department of Expenditure, Secretary(Banking) of Finance Ministry, Secretaries of other Central Ministries, State Secretaries of Rural Development, Chairman Indian Bank Association, CMDs of all Commercial Bank are its members.

During its last meeting RBI and Banking Division of Ministry of Finance were requested to examine the issue of interest on SGSY loans. However, it was intimated that Banks are free to fix their Prime Lending Rate (PLR) which is revised periodically by them. Subsequently, as follow up of the Budget speech of Finance Minister in March 2003, Indian Bank Association suggested to its member banks to adopt interest rate similar to that of State Bank of India which has announced an interest rate of 2% above and below its prime landing rate.

This matter was also taken up by the Minister of Rural Development with the CMDs of all Public Sector Banks in a meeting held on 6th October,2003 at Mumbai, which was called by Minister of State for finance and attended by Deputy Governor RBI, CEO, IBA and chairman NABARD also.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

Committee's this suggestion and proper implementation will definitely encourage the SHGs to avail more loans at low rate of interest and thereby reducing the cost of production and increase in their income as well as profits.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee also feel that keeping in view the important role played by NGOs in the Self Help Groups' movement they should be carefully selected for delivery and implementation of the programmes for SHGs. However, according to NABARD, some of the NGOs have been found to be poor financial managers themselves, unable to manage their finances properly. In this regard, NABARD is stated to have given certain basic criteria to the banks for identifying good NGOs which are that an NGO must be registered for at least three years to be eligible and also that the banks should ascertain the reputation of the NGO. The Committee feel that the financial management and governance capacity of the NGO should be studied carefully by the bankers before extending loans through the NGOs. Also, the criteria given by NABARD should be compulsorily applied by all the public sector banks while selecting NGOs under the self help group programme.

Further, the Committee desire that as is done in the State of Tamil Nadu, accounts of NGOs involved in Self Help Groups activities should be got audited every six months by reputed/recognised Auditors who may send the reports to the Government in order to closely monitor the quality and quantity of the work done by NGOs.

(Para No. 1.83)

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

Reserve Bank of India (RBI) has agreed with the observations of the Committee and will consider issuing necessary guidelines in this regard to all public sector banks.

[Ministry of Finance, Department of Economic Affairs –(Banking Division)O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Rural Development
(Department of Rural Development)

The Ministry agrees with the committee that financial management and Governance capacity of the NGO should be studied carefully before involving them in delivery and implementation of programmes for SHGs. The Guidelines of SGSY(para 3.8), therefore, impress upon District level SGSY committee, a body responsible for implementation of the scheme in district, to select NGOs and other facilitator who have the past experience in SHG formation, community organization or any other similar work involving participatory approach, communication skills, ability to stay with people in rural areas.

Council for advancement of Peoples Action and Rural Technology (CAPART) an autonomous body under Ministry of Rural Development, and an organisation who is dealing with voluntary organization has set up criteria for

identification and selection of suitable NGOs for taking up various programmes in the field of rural development. According to criteria NGOs should have bank account for last three years, must have proven track record of working with peoples participation and with people in rural areas. The NGOs with limited experience must first apply for a project of less than Rs.10 lakh. Guidelines of CAPART even provide for ensuring proper financial management and governance by way of setting of procedure for proper maintenance of accounts and audit as well as punitive actions such as blacklisting and stopping of assistance, to be taken against the defaulting NGOs.

[Ministry of Rural Development, Department of Rural Development O.M. No. 28012/4/2004-SGSY-1, dated 1st June, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

For the selection of NGOs, the Swa-Shakti Project has followed the World Bank procurement procedures as a result the quality of most of the NGOs is found to be satisfactory, as such, they are continued on year to year basis. It is also ensured that expenditure incurred by the NGOs is supported by Audited Statement of Accounts duly certified by Chartered Accountants and further releases are subject to receipt and examination of Audited Statement of Accounts from certified auditors. This system is going very well and it is suggested that it may be adopted uniformly across all the Scheme in States.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee are of the view that the following suggestions, if implemented would go a long way in strengthening the SHGs and enable them to achieve the avowed objective of making women, especially from rural areas, economically independent:-

c) Pamphlets/posters on various credit facilities of the Banks should be distributed among the self help groups to create awareness about credit facilities of the Bank.

[Para No. 1.84(c)]

Reply of Ministry of Finance
(Department of Economic Affairs -Banking Division)

NABARD has prepared useful resource material viz. "A Handbook on Forming SHGs" for Self Help Promoting Institutions for SHPIs and "A Handbook on banking with SHGs. How & Why?" for bank Branch Managers. These hand books contain information on 'must knows" of SHG formation and financing for use by bankers and other enthusiasts. The same has been shared with all bankers and partner institutions.

[Ministry of Finance, Department of Economic Affairs –(Banking Division) O.M. No. 6-7/2004-AC, dated 17th September, 2004]

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

The suggestion of the Committee which relates to the Swa-Shakti Project has been noted and efforts will be made to implement the same.

[Ministry of Human Resource Development, Department of Women and Child Development O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

Recommendation

The Committee note that the successful working of the Self Help Group projects in Southern regions prompted the Department of Women and Child Development to take a pilot project *viz. Swa-shakti* Project in October,1999 for implementation in nine States. This project, according to the Secretary, Department of Women and Child Development was a pilot project which was implemented in the areas having high percentage of population below poverty line as well as high percentage of SC/ST population. Under this project 17647 Self Help Groups are stated to be formed and nurtured. Based on the success of the *Swa-shakti,* the Department of Women and Child Development is stated to have launched another project *viz. Swayam Siddha* in 650 blocks of the States and Union Territories in March, 2001. Whereas *Swa-shakti* was only limited to certain blocks and villages, the reach of *Swayam Siddha* is all over the country. The Committee desire that the *Swa-shakti* Project needs to be evaluated by a thorough study with a view to finding out any shortcomings/lacunae so as to take prompt remedial measures and ensure that *Swayam Siddha* Scheme is free from such deficiencies/loopholes. The Committee, however, are constrained to point out that there is little or no awareness about the '*Swayam Siddha'* scheme not only among the general public at the grassroot level but also among the area/local representatives as was evident from the impressions gained by the Committee during interactions with the officials and members of Self Help Groups while on tour to various States. The Committee, therefore, desire that wide coverage should be given to this scheme to ensure that the targeted beneficiaries are able to take advantage thereof. The Committee also recommend that adequate and effective steps be taken by the Department of Women and Child Development to ensure that the *Swayam Siddha* scheme which takes on from the *Swa-shakti* project, is completed as a time bound programme.

(Para No. 1.89)

Reply of Ministry of Human Resource Development
(Department of Women and Child Development)

Swa-Shakti Project is coming to an end on 30th June, 2005. The Department of Women and Child Development in consultation with the World Bank has already finalized the schedule and terms and reference for impact evaluation. The final report of the impact evaluation will be submitted by the mid of January, 2005. In addition, an in-depth evaluation of the Project is also being undertaken.

The main reason for inadequate publicity of Swayamsidha is the low budget provision. The budget for Swayamsidha is Rs.116.30 crores for formation and nurturing of SHGs for 5 years, training programmes, registration of Societies etc. The cost per SHG works out to Rs.17,892.30. On account of the low budget outlay only 2.5% of the sanctioned project amount has been allowed for publicity, IEC & MIS. This has resulted in inadequate publicity of Swayamsidha. States have been requested to make all efforts within the available budget to popularize the scheme. Efforts are being made to complete the scheme within the time frame.

[Ministry of Human Resource Development, Department of Women and Child Development
O.M. No. 4-1/2004 IWEP, dated 6th September, 2004]

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH THE GOVERNMENT HAVE FURNISHED INTERIM REPLIES

- **Nil –**

NEW DELHI **KRISHNA TIRATH**
December, 2004 **CHAIRPERSON**
2, Agrahayana/Pausa, 1926 (Saka) **COMMITTEE ON EMPOWERMENT OF WOMEN**

APPENDIX I

OBSERVATIONS/RECOMMENDATIONS

Sl. No.	Para No.	Ministry/Department	Observations/Recommendations
1.	2.	3.	4.
1.	1.8	**Ministry of Finance – (Department of Economic Affairs - Banking Division)** **Ministry of Rural Development (Department of Rural Development)** **Ministry of Human Resource Development (Department of Women and Child Development)**	**The Committee note from the reply furnished by the Ministry of Rural Development (Department of Rural Development) that the Ministry's guidelines for the Swarnajayanti Gram Swarozgar Yojana (SGSY) programme have a provision for assisting groups formed under various programmes of the Government. It has also been stated that efforts are being made for convergence of Swarnajayanti Gram Swarozgar Yojana with various programmes. However, what has caused concern to the Committee is the failure to translate all these endeavours to putting in place a suitable mechanism to avoid duplication of efforts in formation and promotion of Self Help Groups. The Committee are of the view that mere issuance or existence of guidelines in this regard would not serve the purpose. What is needed is to ensure that guidelines are strictly followed. The Ministry of Human Resource Development(Department of Women and Child Development) have also conceded that a mechanism should be evolved so as to avoid the duplication of efforts, but have not spelt out the steps taken by them in this regard. The Committee feel that failure to evolve a mechanism itself does not speak favourably about the Government's efforts. They are of the firm view that to avoid duplication the Government should make all out efforts to provide and adopt a single window system to take care of the credit and promotional needs of Groups especially in the rural areas. Coordination should also be maintained amongst various agencies at the District level. For this, proper coordination, monitoring, evaluation and inspection at appropriate**

			levels by Central teams in the fields is essential and needs to be maintained.
2.	**1.12**	**Ministry of Finance (Department of Economic Affairs – Banking Division)** **Ministry of Rural Development (Department of Rural Development)** **Ministry of Human Resource Development (Department of Women and Child Development)**	**The Committee were concerned to note in the Original Report that while the percentage of growth in the Self Help Groups Bank Linkage Programme in some States had been commendable, progress in some had not been encouraging. They had expected that the Government on being pointed out about this discrepancy, would have taken concrete steps in States where the progress in the Linkage Programme had not been satisfactory. The Committee are therefore not satisfied with the evasive reply of the Ministry of Rural Development (Department of Rural Development) that the Swarnajayanti Gram Swarozgar Yojana guidelines recognise the role of facilitators in mobilizing the Rural Poor for organising them into Self Help Groups. They also find the reply of the Ministry of Finance unsatisfactory. While they have stated that Reserve Bank of India has advised banks, they have not felt it necessary to enumerate the details of the advice given by Reserve Bank of India to the banks in this regard. The Committee are constrained to point out that though initiatives have been taken in the field of micro-finance sector, in general, due attention has not been given to steps for encouraging the Linkage programme specially in the areas where progress has not been satisfactory. The Committee feel that mere issue of guidelines and direction does not seem to suffice. They desire that the Government should take up this matter with the concerned States at an appropriate level and inform the Committee, about the specific steps taken to ensure that the concept is popularised in the States which are lagging behind in the Self Help Groups movement. The Committee would also like to reiterate that some of the State agencies should also be involved in a bigger and efficacious way in organising women into Self Help Groups.**
3.	**1.15**	**Ministry of Finance (Department of Economic Affairs – Banking**	**The Committee have taken serious note of the fact that even after a lapse of more than three**

		Division)	**years since the RBI issued instructions to earmark 5% of their Net Bank Credit (NBC) for lending to women, eight banks are still to reach this target. The Committee are dismayed at the reply of the Department since they had desired that not only the modest target of 5% should be achieved by all the banks by the stipulated date but that it should also be increased beyond that as has been done by some banks. They feel that this only exhibits the utter lack of seriousness to implement the recommendation of the Committee made on recognising the problems being faced by women. The Committee strongly urge the Department of Economic Affairs –Banking Division to take more effective steps to pursue those Public Sector banks which could not reach the target of 5% of their NBC for lending to women to achieve the said target along with the reasons therefor. Guidelines issued to them and action taken by the banks may be communicated to the Committee.**
4.	**1.19**	**Ministry of Rural Development (Department of Rural Development)**	**The Committee are not satisfied with the reply of the Ministry of Rural Development (Department of Rural Development). They regret to note that the Department rather than taking action in the matter in pursuance of the recommendation of the Committee have merely reiterated the guidelines of the Swarnajayanti Gram Swarozgar Yojana. The Department have not furnished the details of funds utilised state-wise vis-à-vis the marketing outlets opened in those States. The Department have also failed to furnish any information about *haats* constructed or being constructed under the Swarnajayanti Gram Swarozgar Yojana and the number of women helped under the scheme so far. The Committee, therefore, would like to be apprised about the future plans of the Government in the coming year. The Committee are also of the view that some stalls in these *haats* should be reserved for women and particularly those belonging to weaker sections of society totally free from any charge. Further, the Committee would also like the Ministry to take up the issue with various Corporations of States as well**

			as Ministries of Urban Development, Railways and Transport for allotting stalls and Kiosks/ tharas etc. to the women belonging to weaker sections of the society particularly to Scheduled Castes/Scheduled Tribes.
5.	**1.19A**	**Ministry of Finance (Department of Economic Affairs – Banking Division)**	**The Committee are also not convinced with the reply of the Ministry of Finance (Department of Economic Affairs - Banking Division) stating that many State Governments are themselves making arrangements for marketing of products of Self Help Groups. The Committee feel that the Ministries have tried to be evasive which is indicative of their poor monitoring. Since lack of adequate marketing facilities has proved to be an impediment in the viability of Self Help Groups, adequate steps ought to have been taken to strengthen marketing infrastructure and related activities. While reiterating their earlier recommendation, the Committee are of the firm opinion that the State Governments should be impressed upon to take suitable steps for extending marketing support to the Groups. The Committee further desire that a nodal agency to identify and develop viable projects at the local level should be set up. Steps taken and progress achieved in this regard should be communicated to the Committee at the earliest.**
6.	**1.22**	**Ministry of Finance (Department of Economic Affairs – Banking Division)**	**The Committee are concerned to note that there is still a large gap between the rate of interest given by banks on deposits of Self Help Groups and that charged on loans extended to them. The Committee feel that unless the credit needs of women are adequately met on easy terms, the Self Help Groups would not develop sufficiently. Banks need to play a pro-active role in facilitating women to fulfill their credit requirements. The Committee, therefore, deprecate the attitude of the Department taking shelter under the statement that the interest rates applicable to loans given by banks to micro credit organisations or by the micro credit organisations to Self Help Groups /member beneficiaries has been left to the discretion of the banks. As a nodal Department, they are expected to have taken more concrete steps so that interest rate**

			extended to Self Help Groups are reduced substantially in order to bridge the gap between low rate of interest given by banks on deposits of the Self Help Groups and the higher rate of interest charged on the loans extended to them. The Committee desire that suitable steps in this direction may be taken by the Ministry and they be apprised accordingly.
7.	**1.26**	**Ministry of Finance (Department of Economic Affairs – Banking Division)** **Ministry of Rural Development (Department of Rural Development)** **Ministry of Human Resource Development (Department of Women and Child Development)**	**The Committee regret to point out the evasive replies given by the Ministry of Rural Development (Department of Rural Development) and Ministry of Finance (Department of Economic Affairs - Banking Division). In their Original Report, the Committee had noted that the National Bank for Agriculture and Rural Development themselves had conceded that some of the NGOs had been found to be poor financial managers themselves, unable to manage their finances properly. Keeping in view the lack or poor financial management of NGOs, the Committee had desired that their financial management and governance be taken care of. While both the Ministries have chosen to remain silent on this very important aspect and absolved themselves of their responsibility, the Ministry of Rural Development have merely stipulated the guidelines of Swarnajayanti Gram Swarozgar Yojana in this regard. The Committee expect the Government to be precise and non-evasive while furnishing action taken notes to their pointed recommendations. While reiterating their recommendation that accounts of NGOs should be got audited every six months by reputed/recognised Auditors, the Committee desire that the requisite information should be furnished to them without further delay.**
8.	**1.29**	**Ministry of Finance (Department of Economic Affairs – Banking Division)**	Keeping in view the importance of creating awareness about credit facilities of the banks among women, especially from rural areas, the Committee had suggested that pamphlets/posters on such facilities should be distributed among Self Help Groups. The Ministry of Finance (Department of Economic Affairs - Banking Division) have not indicated

			the steps taken in this regard for creating awareness about credit facilities to rural women. The Committee feel that this is very important as awareness generation among rural women is a manifestation of how such important aspects are being looked after and monitored. This is essential so that they become aware and approach the right persons for their credit needs. The Committee would therefore, like to reiterate that pamphlet/posters on various credit facilities of the Banks should be distributed among the Self Help Groups to create awareness about credit facilities of the Bank. They should be in simple, brief and understandable words in English, Hindi, and all regional languages and be circulated to all District Rural Development Agencies and village panchayats for the benefit of the rural women.
9.	**1.32**	**Ministry of Human Resource Development (Department of Women and Child Development)**	**The Committee had pointed out in the Original Report about the poor level of awareness about the 'Swayamsidha Scheme' of the Department of Women and Child Development among the general public at the grassroot level and among the area/local representatives. However, the Department have chosen to take the plea of low budget provision for inadequate publicity of Swayamsidha Scheme which the Committee do not find as convincing. The Committee feel that there is lack of initiative on the part of the Department who with the help of available funds could have made the desired efforts to create awareness about the Project. The Committee are of the view that it is very essential that wide coverage is given to the schemes launched by the Government to ensure that the targeted beneficiaries are able to take advantage thereof. The Committee, therefore, desire that urgent steps may be taken to disseminate information through cheap but effective medium and States also be given specific guidelines to popularise this scheme. The Committee may be apprised of the steps taken in this regard.**

APPENDIX II

(Vide Para 1.2 of the Report)

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE EIGHTHEENTH REPORT OF THE COMMITTEE ON EMPOWERMENT OF WOMEN (13TH LOK SABHA)

(i).	Total No. of Recommendations	- 27
(ii)	Observations/Recommendations which have been accepted by the Government: Para Nos. 1.69, 1.70, 1.71,1.72, 1.73, 1.75, 1.77, 1.78, 1.79, 1.82, 1.84 (a) & (b), 1.84 (d) to (g), 1.84 (i) to (k), 1.85, 1.86, 1.87, 1.88, Total Percentage	18 66.66%
(iii)	**Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:** Para Nos. 1.84 (h), 1.90, Total Percentage	2 7.41%
(iii)	**Observations/Recommendations, replies to which have not been accepted by the Committee and which require reiteration: Para Nos. 1.74, 1.76, 1.80, 1.81, 1.83, 1.84 (c), 1.89** **Total** **Percentage**	7 25.92%
(iv)	**Observations/Recommendations in respect of which final replies have not been received.** **Total**	Nil

PART- II

MINUTES OF THE THIRD SITTING OF THE COMMITTEE ON EMPOWERMENT OF WOMEN (2004-05)

The Committee sat on 7th October, 2004 from 1500 hours to 1545 hours in Room No. 53, Parliament House, New Delhi.

PRESENT

IN CHAIR

Smt. Krishna Tirath - **Chairperson**

MEMBERS

LOK SABHA

2. Shri Joachim Baxla
3. Smt. Sushila Kerketta
4. Smt. Manorama Madhawraj
5. Smt. Minati Sen
6. Smt. Sangeeta Singh Deo
7. Smt. Karuna Shukla
8. Mohd. Tahir

RAJYA SABHA

9. Smt. Prema Cariappa
10. Kumari Nirmala Deshpande
11. Smt. N.P. Durga
12. Smt. S.G. Indira
13. Smt. Chandra Kala Pandey
14. Smt. Kum Kum Rai

SECRETARIAT

1.	Shri M. Rajagopalan Nair	-	Joint Secretary
2.	Shri R.S. Mishra	-	Deputy Secretary
3.	Smt. Veena Sharma	-	Under Secretary

2. The Sitting of the Committee commenced with the Chairperson welcoming the Members.

3. Thereafter, the Committee took up for consideration and adoption the draft Action Taken Report on the subject **'Functioning of Self-Help Groups for Economic Empowerment of Women'**. After some deliberations, the Committee adopted the draft Action Taken Report and authorised the Chairperson to present it to Parliament during the Winter Session.

4. She thereafter informed the Members that the visit of the Committee to Kolkata, Bangalore, Mysore and Chennai from 25th October, 2004 to 2nd November, 2004 will now be undertaken to Bangalore, Mysore and Chennai from 27th October to 2nd November, 2004 due to Durga Puja celebration at Kolkata. She also informed the Committee that the visit to Kolkata will be undertaken on 28th and 29th December, 2004 (immediately after the Winter Session of the Parliament). Regarding the local visit in the city of Delhi/New Delhi and its surrounding areas which was decided to be undertaken in their earlier Sitting, she stated that the Committee will undertake a few local visits during any of the weekends in the coming months to which all the Members agreed to.

5. The Chairperson then informed the Committee that the earlier Action Taken Reports, which had been presented to Parliament, had been forwarded to the concerned Ministries for furnishing Action Taken Notes. The concerned Departments were being requested to furnish the Status Reports in respect of two of the Reports of the Committee on the subjects 'Education Programmes for Women' and 'Training and Empowerment of Women in Local Bodies'. She

requested the Members to give their views/suggestions on this regard, if they so desired, for consideration of the Committee.

The Committee then adjourned.